

**National Securities Depository Ltd.**



**Master Circular  
on  
Account Opening  
Version 3.0  
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**'Master Circular' on 'Account Opening' - Version 3.0**

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**(I) Guidelines in respect of account opening in case of individuals (Non-Body Corporates)**

**(1) Individuals, Karta of HUF, Partners in case of Partnership firm, Guardian in case of minor account**

**(1.1) In-person verification of applicant(s) at the time of opening depository account (NSDL/POLICY/2007/0016 dated March 16, 2007, NSDL/POLICY/2008/0030 dated April 30, 2008 NSDL/POLICY/2008/0076 dated October 27, 2008 & NSDL/POLICY/2010/0013 dated February 6, 2010)**

- (a) At the time of opening depository accounts, the staff of the Participant should establish the identity of the applicant(s) (including guardian in case of minor account) by verifying the photograph(s) affixed in the account opening form (Annexure J) as well as proof of identity document(s) as mentioned below in point no.(I)(1)(1.3), **with the person** concerned. Further, in case of joint accounts, **'in-person'** verification needs to be carried out for all the holders of the account.
- (b) The staff of the Participant only should carry out 'in-person' verification. The Participant should not outsource or assign the activity of 'in-person' verification to an outside agency.
- (c) Upon the applicant(s) submitting the account opening form, proof of identity & address documents and PAN details, staff of the Participant should follow the procedure as given below:
  - (i) Verify the identity of the applicant(s) as clarified in point no.(I) (1) (1.1) (a) above.
  - (ii) After due verification, affix a stamp on the face of the account opening form or on the document(s) collected as proof of identity to the effect that the identity of the applicant(s) is verified **'in-person'**.  
The stamp should carry the following details:
    - Name of the Participant and Participant ID,
    - Name / Details of Branch/Service Centre,

- Details of the Participant staff who has carried out **'in-person'** verification (Name, Employee code if any, Signature),
  - Date and place where **'in-person'** verification was carried out.
- (iii) If **'in-person'** verification is done through web camera, then mention “IPV through webcam”.
- (d) The **'in-person'** verification done for opening **trading account** by a stock broker will hold good for opening depository account by a Participant, if the stock broker and Participant is the same entity or if one of them is the holding or subsidiary company of the other. In case **'in-person'** verification done for opening **trading account** by stock broker is used for opening depository account, Participant must ensure that the details of **'in-person'** verification as is required to be maintained by stock broker under stock exchange regulations are available with appropriate cross-referencing (i.e. mention trading account number on depository account opening form or on proof of identity at the place for **'in-person'** verification).
- (e) If the Participant wishes to keep the above records mentioned in point (I) (1) 1.1 (c) (ii) (i.e. verification details) in an electronic form, prior approval from NSDL should be obtained as per the NSDL Business Rule 16.4.1. Further, the Participant should ensure that the records are made available to NSDL officials, SEBI or any other Statutory Authority, whenever required.
- (f) Participants can stamp or print the **'in-person'** verification details on the account opening form (Annexure J). Such details may be stamped or printed on any page, as the Participant may deem fit without making illegible the other details mentioned in the account opening form. However, attachment of separate sheet to the account opening form or affixing stickers on the account opening form carrying **'in-person'** verification details will not be permitted. (NSDL/POLICY/2007/0022 dated April 18, 2007).
- (g) Participants may use ‘web-camera’ for carrying out **'in-person'** verification for opening of depository accounts at the branch/franchisee offices of the Participant subject to compliance with other SEBI guidelines/circulars relating to opening of depository accounts including verification of documents.

(1.2) The applicant should fill up the Account Opening Form as per the format given in Annexure J of the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (as per Annexure B of NSDL Bye Laws) duly executed on a stamp paper of appropriate value. Further, the Participant shall be responsible in deciding the value of the stamp paper. The schedule of fees to be charged by the Participant to the Client should form a part of the agreement.

(1.3) The applicant should submit any one of the following as a valid proof of identity / proof of address alongwith a photocopy (NSDL/PI/2004/1622 dated September 7, 2004):

**(a) Proof of Identity (POI):**

I. Passport

II. Voter ID Card

III. Driving license

IV. PAN card with photograph

V. Identity card/document with applicant's Photo, issued by

a) Central/State Government and its Departments,

b) Statutory/Regulatory Authorities,

c) Public Sector Undertakings,

d) Scheduled Commercial Banks,

e) Public Financial Institutions,

f) Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**),

g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members and

h) Credit cards/Debit cards issued by Banks.

**(b) Proof of Address:**

I. Ration card

II. Passport

III. Voter ID Card

- IV. Driving license
- V. Bank passbook / Bank Statement (NSDL/POLICY/2007/0074 dated December 1, 2007 and NSDL/POLICY/2008/0037 dated May 27, 2008)
- VI. Verified copies of
- a) Electricity bills (not more than two months old),
  - b) Residence Telephone bills (not more than two months old) and
  - c) Leave and License agreement / Agreement for sale.
- VII. Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.
- VIII. Identity card/document with address, issued by
- a) Central/State Government and its Departments,
  - b) Statutory/Regulatory Authorities,
  - c) Public Sector Undertakings,
  - d) Scheduled Commercial Banks,
  - e) Public Financial Institutions,
  - f) Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**) and
  - g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.
- (1.4) In case of joint holdings, POI and Proof of address documents must be collected in respect of all the account holders.
- (1.5) An authorised official of the Participant should verify the photocopies of documents submitted with their corresponding originals and put his/her signature on them with remarks "**verified with original**" before proceeding to open the account.
- (1.6) The aforesaid documents are the minimum requirement for opening of a beneficiary account. Participants are advised to exercise due diligence while establishing identity of the person to ensure the safety and integrity of the depository system.



- (1.7) Participants can apply stricter criteria and accordingly, decide to accept selected documents out of the list of documents prescribed above (point no. (I) (1) (1.3)), as POI and Proof of Address (NSDL/PI/2004/2117 dated November 25, 2004).
- (1.8) 100% verification needs to be carried out in respect of account opening by the Concurrent Auditor of the Participant. The Concurrent Auditor should conduct the audit in respect of all accounts opened during the day, by the next working day. In case the audit could not be completed within the next working day due to large volume, the auditor should ensure that the audit is completed within a week's time. Participants would be required to appoint a firm of qualified Chartered Accountant(s) or Company Secretary(ies) or a Cost and Management Accountant, holding a certificate of practice for conducting the concurrent audit. Participants in case they so desire, may entrust the Concurrent Audit to their Internal Auditors. (NSDL/POLICY/2006/0021 dated June 24, 2006, NSDL/POLICY/2007/0017 dated March 22, 2007 and **NSDL/POLICY/2009/0020 dated March 16, 2009**).

## **(2) Procedure for capturing of demographic details of the account holder(s)**

### **(2.1) Capturing of PAN details (NSDL/POLICY/2006/0007 dated March 3, 2006 and NSDL/POLICY/2006/0031 dated August 9, 2006):**

- (i) Participants should obtain a photocopy of the PAN card of the person(s) seeking to open the account and verify the same with the original PAN card.
- (ii) Further, the name of depository account holder(s) should be compared with the name appearing on the website of the Income Tax Department (ITD) i.e. <https://incometaxindiaefiling.gov.in/knowpan/knowpan.do>. Alternatively, subscribe to the internet based service of NSDL (NSDL/POLICY/2007/0048 dated August 14, 2007) so that the name can be sought against the given PAN.
- (iii) In case the name(s) do not match or the PAN is not present in the Income Tax database, Participants should seek necessary clarification from the account holder(s) and activate such accounts in the DPM System only after the discrepancy is resolved.
- (iv) In case of joint accounts, the PAN of each of the joint holder should be captured in the DPM System after making verification as explained above. As all Participants are

aware, DPM System is enabled to capture PAN of all joint holder(s) of a depository account.

- (v) After verifying the details of PAN as mentioned above, the staff of the Participant should affix a stamp as **‘PAN verified’**, on the photocopy of the PAN card(s).
- (vi) Thereafter, PAN flag(s) should be enabled in the DPM System (NSDL/POLICY/2006/0012 dated March 25, 2006).

(2.1.1) With respect to PAN, Clients may have reported the following problems:

- (a) PAN card has been lost / misplaced or PAN card was never received but has the PAN allotment letter from the ITD;
- (b) Change in the name of the Client due to marriage or voluntary action etc., (in case of individuals) or due to merger, amalgamation etc. (in case of a corporate entity).

In this regard, Participants are advised that the ITD issues a new PAN card with the same PAN with changes in PAN data, for the above reported problems. For detailed procedure, Participants may refer <http://www.incometaxindia.gov.in> or <http://www.tin-nsdl.com> (NSDL/POLICY/2006/0024 dated July 7, 2006).

In cases where there is minor mis-match in the name of Client as is mentioned in the account opening form and the name displayed on the ITD website, the Participants can collect the PAN card proof as submitted by the account holder. However, this would be subject to the Participants verifying the veracity of the claim of such Clients by collecting sufficient documentary evidence in support of the identity of the investors as provided in the SEBI Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004 (Refer point no. (I)(1)(1.3) above for list of documents which can be accepted as a valid proof of identity). The Participant should call for any additional documents and / or clarification to ascertain and satisfy itself about the identity of the entity.

(2.1.2) Participants are restricted from modifying the PAN of a holder in a Client account in DPM System, once the PAN flag has been enabled. However, Participant may approach NSDL for modifying the PAN or PAN flag and NSDL will provide a facility

for Participants to register a request for modification of PAN for such holders in Client account (NSDL/POLICY/2007/0052 dated September 13, 2007).

(2.1.3) Participants may note that PAN may not be insisted in the case of Central Government, State Government and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market on behalf of the Central and State Government. Further, SEBI has clarified that the exemption from mandatory PAN requirement applies to transactions undertaken on behalf of the Central and State Government, but not to the transactions of the employees of Central and State Government in their personal capacity. (SEBI Circular No. MRD/DoP/Cir-20/2008 dated June 30, 2008 and NSDL Circular Nos. NSDL/POLICY/2008/0048 dated June 30, 2008 & NSDL/POLICY/2008/0049 dated July 8, 2008).

**(2.2) Capturing of local and correspondence address (NSDL/PI/2005/1102 dated June 22, 2005 & NSDL/POLICY/2008/0040 dated June 4, 2008)**

- (a) Participants can capture two addresses in the DPM System for a Client (first holder/sole holder) i.e. local and correspondence addresses. The Client Master Report and Export will carry both these addresses.
- (b) For both, local and correspondence addresses of a Client, Participants should ensure that they collect and verify the KYC documents as mentioned in point nos. (I) (1) (1.3) (Individual) and (II) (1) (1.1) (Body-Corporate) and only then the same should be captured in the DPM System.
- (c) The local address would be the default address that would be forwarded to the Registrar & Transfer Agent (RTA) as well as used for printing Transaction Statement (SOT) from DPM System. However, the Client has the option to request the Participant to use the other address i.e. correspondence address for the aforesaid purposes. In such a situation, the Participant should disable the default indicator under the option "Beneficiary Address Local" (referred to as 'Address Preference Flag' in batch file import format).
- (d) Participants may capture the landmark details in the DPM System, which are not mentioned in the proof of address submitted by the Client but are mentioned by Client

in the account opening form. The landmark details could include details like name of the building / mall / junction / school / garden / hotel / bank / railway station / company name / bus depot etc with the preceding words such as 'near by', 'adjacent to', 'behind', 'next to', 'opposite to', 'off' etc.

**(2.3) Capturing of Bank details (NSDL/PI/2000/2295 dated December 20, 2000):**

(a) Complete bank address including 9-digit MICR code is necessary for the Issuers to undertake distribution of corporate benefits directly to the bank accounts of beneficial owners. Participants are hereby advised to obtain a specimen copy of cheque and capture 9-digit MICR codes for all the accounts opened with them. Further, Participants are advised to capture bank address details strictly in the manner described below:

Row 1 : Building / Tower / Apartment / Palace / Chamber / Mansion

Row 2 : Street / Road / Marg / Lane / Avenue / Rasta

Row 3 : Area name

Row 4 : City name

Pin code : Bank address PIN code

Participant need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

**(3) Mode of capturing the details in the DPM System**

(a) The Participant should enter the details of the Client as mentioned in the Account Opening Form, in the DPM System after verifying with the POI and Proof of Address. It may be mentioned that Participants can avail the facility of Bulk Verify and Release with respect to opening of Client accounts in the DPM System (NSDL/PI/2007/0019 dated April 4, 2007).

(b) The Participant should capture the Client's signature(s) as given in the Account Opening Form in the DPM System.

- (c) For ease of data entry, the Standing Instruction indicator in the DPM System would be in an enabled status with respect to all types of Client accounts except for accounts with sub-type “DR” at the time of opening depository accounts. For those Clients who have not opted for Standing Instructions, the Participant should disable the Standing Instruction indicator in the DPM System
- (d) For ease of data entry, the SMS flag of the account holder will automatically get enabled in the DPM System after the Participant captures the mobile number (Participants are advised to strictly capture the ten digit mobile number with the first digit as “6” / “7” / “8” / “9”) of the respective account holders at the time of opening of depository accounts. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should capture the mobile number in the DPM System and disable the SMS flag either from the front end of the DPM System or through back office file import (NSDL/POLICY/2008/0059 dated September 1, 2008 & Circular No.: NSDL/POLICY/2010/0010 dated January 28, 2010).
- (e) The Participant should save the details and enter the Client account number (Client ID) generated by DPM System in the Account Opening Form.
- (f) The Participant should print the Client Master Report and give it to the Client alongwith a copy of the Agreement. Such information should be provided only after the account is in “Active” status in the DPM System. (NSDL/PI/98/583 dated November 18, 1998).

#### **(4) Procedure for opening HUF account**

- (a) Open the beneficiary account in the name of the Karta of the HUF. The HUF account should not have joint holdings (NSDL/PI/2002/1346 dated August 12, 2002).
- (b) POI and Proof of Address of 'Karta' should be obtained as mentioned in point no. (I) (1) (1.3).
- (c) PAN details of the HUF should be captured in the DPM System after due verification (NSDL/POLICY/2006/0031 dated August 9, 2006).

(d) Since Clients are required to open HUF (depository) accounts in the name of 'Karta', they may face difficulty in encashing cheques / demand drafts in respect of dividend / interest warrant, since the bank account may have been opened in the name of HUF. For this purpose, RBI has clarified that a mandate may be taken by banks from the account holder that the cheques drawn in favour of 'Karta' can also be collected in the account of HUF and vice-versa. Participants are advised to take note of the above and provide a copy of 'Client Master Report' so as to enable the Clients to suitably take up the matter with their banks. A copy of the letter received from RBI, clarifying the stand to be taken with respect to bank account that is opened in the name of HUF may be provided at the request of the Client's bank (NSDL/PI/2005/0159 dated January 27, 2005 and NSDL/POLICY/2007/0064 dated October 19, 2007).

**(5) Procedure for opening of a minor account**

SEBI has intimated to NSDL clarifying the position on operation of the depository accounts held in the name of minors as follows:

"Under [The] Hindu Minority and Guardianship Act, 1956, permission of court is required in the case of transfer by a natural guardian of immovable property of a minor. However, shares are not immovable property. Section 2(7) of Sale of Goods Act, 1930 includes shares within the definition of "goods". Neither the Indian Contract Act nor the Sale of Goods Act provide for transfer by sale or otherwise by guardian/natural guardian of goods/movable property in the name of minor to the effect that permission of court is required in the matter of such transfer. In the case of accounts of minor in banks also, the guardian is entitled to open, operate and even close the account also. The depository account can, therefore, be operated by a natural guardian without any order from the court though the same is neither expressly permitted nor prohibited." (NSDL/PI/2000/323 dated March 17, 2000)

**Participants should follow the below given procedure for opening depository account of a minor: (NSDL/POLICY/2007/0004 dated January 11, 2007,**

**NSDL/POLICY/2009/0015 dated February 27, 2009 and NSDL/POLICY/2010/0051 dated May 13, 2010)**

- (i) Account opened in the name of minor should not have joint holdings.
- (ii) Obtain POI, Proof of Address and the photograph of the Guardian as per the procedure laid down in point no. (I) (1) (1.3) above.
- (iii) Photocopy of school leaving certificate / Marksheet issued by Higher Secondary Board of respective states, ICSE, CBSE / passport of the minor / birth certificate of the minor to ascertain the date of birth of the minor. At the time of accepting either of these documents, Participant should verify the same with the original. However, in case the client submits an original birth certificate, Participant can accept the same as proof of date of birth.
- (iv) PAN details of the minor should be captured in the DPM System after due verification. (NSDL/POLICY/2006/0031 dated August 9, 2006)

**(5.1) Procedure to be followed by Participants on minor attaining majority (NSDL/POLICY/2008/0034 dated May 21, 2008).**

On minor attaining majority (i.e. 21 years of age in case of minor whose Guardian is court-appointed or 18 years where minor's account is represented by a natural guardian), Participants should follow the procedure given hereunder:

S. No.	Procedure	Reference	Remark
(i)	Ascertain the cases where Minors have attained Majority.	Access the module 'Reports' / Master List / Minor turned Adult available in the DPM System	Report displays accounts that are in status 'Active', 'Suspended for Debit' and 'Suspended for Debit & Credit'

(ii)	Communicate to the Client (Minor attained Majority) immediately advising him/her to submit a fresh account opening form alongwith necessary KYC documents & PAN card alongwith photograph of the Client and also comply with ' <b>in-person</b> ' verification.	Point no. (I) (1) of this Circular and Annexure J of Business Rules	Income Tax Department (ITD) issues a new PAN card with same PAN with relevant changes on PAN card, on Minor attaining majority. For detailed procedure, Participants may refer <a href="http://www.incometaxindia.gov.in">http://www.incometaxindia.gov.in</a> or <a href="http://www.tin-nsdl.com">http://www.tin-nsdl.com</a> .
(iii)	Suspend the account for debit and disable the standing instruction for credit pertaining to the account of Minor.	DPM System.	This is in case where the Client does not respond within one month from the date of communication as mentioned in point no. (ii) above.
(iv)	Verify the account opening form alongwith necessary KYC documents and PAN as mentioned under point no.(ii) herein above.	Point nos. (I) (1) and (2) (2.1) of this Circular and Circular no. NSDL/POLICY/2008/0030 dated April 30, 2008.	



(v)	Execute a fresh Participant-Client agreement with the Client.	Annexure B of the Bye Laws of NSDL.	Retain the KYC documents of Guardian alongwith Participant – Client agreement executed earlier at the time of account opening by the Guardian on behalf of the Client as a part of account opening documents.
(vi)	Capture the new demographic details in the DPM System after due verification of same.	Point no. (I) (11) of this Circular	Ensure that the demographic details captured in the DPM System match with the details in the new account opening form, KYC documents and PAN card submitted by the Client. If there is mismatch in the demographic details captured in the DPM System or if Client submits a request for modification of such details like change of Bank details, address details, etc. follow the relevant procedure.
(vii)	Capture the signature of the Client (Minor turned Major) in the system in place of the signature of the Guardian (captured earlier).	DPM System	
(viii)	Select “None” or “Nominee” as the case may be in the	Point nos. (I) (10) of this Circular and Annexure JA of Business Rules	Select the option after the aforesaid procedure as mentioned in aforesaid points is followed

	field 'Nominee/Guardian' in the DPM System to disable the entire Guardian details in the said account. If "Nominee" is selected enter the nomination details.		and the identity of the Client is verified. As the Client has become Major, he/she can now make a nomination in his/her account in favour of any person by filing with the Participant a request for making a nomination in prescribed form.
(ix)	Any request or instruction(s) from the guardian, which is/are to be processed or is having execution date falling on or after the date the Minor has turned Major, shall be processed/executed only after receipt of confirmation from the Client (Minor turned Major).		As Clients who have attained Majority are legally entitled to execute a contract, Participants are advised NOT to accept any requests or instructions signed by the Guardian on behalf of the Client on or after the date the Client has turned Major.
(x)	Client (Minor turned major) account is suspended for debit for non-compliance with PAN requirement		
	Follow the procedure mentioned in point nos. (i) to (viii) above and capture	Point no. (I) (2) (2.1) of this Circular	

	the PAN details in the DPM System and enable the PAN flag.		
(xi)	Accounts already suspended in cases where Clients have not responded		
	Follow the procedure as mentioned under point no. (ii) to (viii) above.	Point no. (I) (5), (5.1) and (5.2) of this Circular	This is in cases where the accounts pertaining to Minor Clients are suspended for debit and the standing instruction for credit is disabled on account of failure of the Clients to respond within the period of one month from the date of communication to Client from Participants.

**(6) Accounts opened in the names of Partners for holding securities that belong to a Partnership firm (NSDL/POLICY/2007/0009 dated February 12, 2007)**

- (i) The account should be opened only in the names of Partners and the securities that belong to the Partnership Firm can be held in this account.
- (ii) Obtain POI and Proof of Address of the Partners as per the documents mentioned in point no. (I) (1) (1.3). Further, obtain a copy of the Partnership Deed to verify the names of Partners.
- (iii) Obtain an undertaking in the prescribed format from the Partners to the effect that the Partners would comply with the provisions of the Companies Act, 1956 and other applicable statutes in respect of securities of the Partnership firm held in the account opened in the names of the Partners (NSDL/POLICY/2006/0008 dated March 4, 2006).
- (iv) PAN details of the Partnership firm should be captured against the names of all the Partners after due verification (NSDL/POLICY/2006/0031 dated August 9, 2006).
- (v) Capture the bank details of the Partnership firm.

**(7) Non-Resident Indian / Foreign National (NRI/FN)**

**(7.1) Procedure to be followed by Participants with respect to KYC documents and PAN of NRI (Repatriable/Non-Repatriable) and FN at the time of opening an account in the respective category:**

- (i) Obtain POI and Proof of Address of the applicant as per the procedure laid down in point no. (I) (1) (1.3) above.
- (ii) Obtain a declaration from the Client that he/she has complied and will continue to comply with FEMA regulations.
- (iii) Participants are advised to obtain photocopies of Proof of Address in respect of foreign address where the NRI/FN is residing and verify the same with originals. In case the NRI/FN Clients have Indian address, Participants are advised to obtain photocopies of Proof of local address and verify the same with originals. Further, in case if the NRI/FN has submitted only Proof of Address of the country (foreign address) where the NRI/FN is residing, in such a situation, Participants may capture the foreign address in both local and foreign address fields given in the DPM System.
- (iv) If Participants find it infeasible to carry out **'in-person'** verification of the NRI/FN Client by their staff and/or verify the original KYC documents (POI and Proof of Address i.e. foreign address, where the NRI/ FN is residing) alongwith PAN card, in such a situation, it is clarified that:
  - (a) the account opening form and photocopies of the KYC documents and PAN card should be duly signed by the account holder; and
  - (b) photocopies of the KYC documents and PAN card is attested by any of the entities viz; Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General of the country where NRI/FN is residing [outside India]; and
  - (c) the attestation is to the effect that it has been verified with the originals.Participants should open the depository accounts or accept the PAN card only after it is satisfied with the authenticity of the documents (POI, Proof of Address and PAN card).
- (v) In case where **'in-person'** verification for NRI/FN Client has been carried out by the staff of the Participant or if he/she personally visits the office of the Participant to

submit the KYC documents and PAN card, in such a situation, the NRI/FN would be exempted from obtaining attestation, on KYC documents and PAN card.

(NSDL/POLICY/2008/0030 dated April 30, 2008, NSDL/POLICY/2007/0022 dated April 18, 2007, NSDL/POLICY/2006/0067 dated December 28, 2006 and NSDL/POLICY/2006/0049 dated October 19, 2006).

**(7.2) NRI (Repatriable/Non- Repatriable) account (NSDL/PI/98/007 dated January 2, 1998):**

- (i) While opening an account for an NRI Client, the Participant should obtain copy of the RBI approval letter, if any, for acquiring securities, alongwith the account opening form and other necessary documents.
- (ii) The account should be opened in the name of the NRI in the DPM System under repatriable category when securities are held on repatriable basis and under non-repatriable category when securities are held on non-repatriable basis.
- (iii) Participants are advised to capture the following details in the DPM System against the RBI reference number and date:
  - (a) If the NRI has at any time purchased securities from the secondary market, i.e., under Portfolio Investment Scheme, then the RBI reference number and date mentioned in the RBI approval letter should be entered.
  - (b) If the NRI has never purchased securities from the secondary market, but the securities have been allotted in the primary market, i.e., under Direct Investment Scheme, then the Participant should mention the following :  
RBI Reference No. : “Under General Permission”  
RBI Approval Date : Present date  
*(Subsequently, whenever the NRI gives dematerialisation or receipt instructions in respect of purchase of securities from the secondary market, the RBI reference number and date should be entered therein)*
  - (c) If the NRI does not hold any securities, then the Participant should mention the following :  
RBI Reference No. : “No Holdings”  
RBI Approval Date : Present date

*(Subsequently, whenever the NRI gives dematerialisation or receipt instructions in respect of purchase of securities from the secondary market, the RBI reference number and date should be entered therein)*

- (iv) While processing dematerialisation, receipt, delivery or pledge instructions from NRI Client, the Participant must obtain a copy of the relevant RBI approval letter (e.g., RBI approval letter for sale in case of delivery instructions). The Participant need not obtain copy of the RBI approval letter for every instruction, if the same approval applies to each such instruction.

**(7.3) RBI Clarification with respect to NRI/FN :**

**(NSDL/PI/2000/1891 dated October 6, 2000)**

RBI vide its letter dated July 18, 2000 to one of the Participant of NSDL has issued the following clarifications with regard to permission to open Bank Account and Depository Account to sell shares acquired under ESOP by FN:

- (a) RBI approval is not required for opening depository account.
- (b) RBI has not put any condition that for opening of depository account, the non-resident shareholder must have a bank account. The depository account may be opened as per the norms of NSDL and the concerned bank.
- (c) RBI has already granted General Permission for sale of shares on stock exchanges by non-residents and for sale of shares by negotiated deals, application in TS-1 form may be submitted to concerned Regional Office of RBI for obtaining permission.
- (d) FN can sell the shares held under ESOP on stock exchange without RBI permission.

Participants are required to ensure that all transactions in the account are in compliance with FEMA regulations. Accordingly, Participants are advised to obtain from the NRI/FN, necessary documents evidencing general/specific approvals as may be required under FEMA regulations.

**(8) Opening of account of an Illiterate person (NSDL/PI/2002/0709 dated May 3, 2002):**

NSDL has prescribed the procedure for affixing thumb impression (in Annexure J of Business Rules) while filling an account opening form by an illiterate person. In this context, Participants are advised to follow the below mentioned procedure:

- (a) Illiterate person(s), at the time of opening an account with a Participant must affix the thumb impression (left hand thumb in case of a male and right hand thumb in case of a female) on the agreement as well as on the account opening form.
- (b) All accounts opened by illiterate person(s) (hereinafter referred as Clients) must be either introduced by an existing account holder or must be attested by applicant's bank.
- (c) The Client(s) must come in person to open the account and submit instruction forms and affix his/her thumb impression in the presence of the official of the Participant. The Participant should identify the Client(s) by verifying the photograph submitted by the Client(s) and read out/explain the contents of the account opening form, Participant-Client agreement and delivery instruction form to the Client(s). The official of the Participant should then put his signature and remarks "Details explained to the Client(s)", on the account opening form, copy of the agreement and delivery instruction form.
- (d) In case such Client(s) is/are temporarily or permanently disabled due to which he/she cannot come in person to submit the instruction form as mentioned in point (c) above, the thumb impression of the Client(s) on the instruction forms must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate or a similar authority holding a Public Office and authorised to use the Seal of his office or a manager of the account holder's bank. The Client should also produce a medical certificate about his/her disability.
- (e) A remark should be put in the DPM System (under the authorised signatory details under "Signatories" screen) at the time of opening the account that the account holder is illiterate or disabled. Further, the instruction forms issued to such Client(s) should be pre-stamped as "Thumb Impression".

- (f) At the time of opening of account, the aforesaid rules should be explained to the Client(s) in the presence of a witness, who will have to sign the agreement and the account opening form, as a witness.

Participants should note that the aforesaid guidelines are in addition to the existing guidelines with regard to opening of an account and executing instructions.

**(9) Opening of an account of a Blind person (NSDL/POLICY/2007/0049 dated August 21, 2007):**

- (a) Obtain POI, Proof of Address and the photograph of the blind person(s) (hereinafter referred as Client) as per the procedure laid down in point no. (I) (1) (1.3). Carry-out **'in-person'** verification of the Client as per the procedure laid down in point no. (I) (1) (1.1). Obtain PAN card of the Client and follow the procedure laid down in point no. (I) (2) (2.1).
- (b) The Participant should read out and explain to the Client, the contents of the account opening form and Participant-Client agreement whenever so requested by the Clients. In case the Client is an illiterate, Participant should follow the procedure laid down in point no. (I) (8).
- (c) The Participant should capture the Client's signature(s) as given in the Account Opening Form in the DPM System. Further, a remark should be put in the DPM System (under the authorised signatory details in 'signatories' screen) that the Client is "Visually Challenged". Further, if the Client is illiterate, then Participant should put in the remark as "Visually Challenged and Thumb Impression".
- (d) For issuance, re-issuance and processing of Delivery Instruction Slips (DIS) of such Clients, Participants are advised to follow the procedure laid down in NSDL Circular No. NSDL/PI/2004/1401 dated August 5, 2004. Participants would also be required to comply with NSDL Circular No. NSDL/POLICY/2007/0011 dated February 15, 2007 regarding SEBI circular on DIS. It is also added that the DIS issued to such Clients should be pre-stamped as "Visually Challenged" or "Visually Challenged and Thumb Impression" as the case may be. Further, these Client(s) should visit the office of the Participant to deliver the DIS, only if they are illiterate.



Participants are requested to note that the above mentioned procedures will be applicable for new accounts opened since August 21, 2007 (issuance of the revised circular) as well as for processing of DIS for the existing Clients.

**(10) Procedure to be followed with respect to Nomination (NSDL/POLICY/2009/0002 dated January 3, 2009, NSDL/POLICY/2009/0004 dated January 9, 2009 and NSDL/POLICY/2009/0081 dated September 5, 2009):**

- (a) At the time of opening his/their account, the Client will be required to tick the appropriate option as given below:
  - (i) “I/We wish to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of securities held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.”
  - (ii) “I/We do not wish to make a nomination.”
- (b) For Client(s) who make a nomination of his/their account in favour of any person, may, fill-up with the relevant Participant the form laid out in Annexure JA of the Business Rules. In the case of joint accounts, all the account holders shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made.
- (c) The nomination can be made only by individuals holding beneficiary accounts on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of HUF, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.
- (d) A minor cannot nominate. However, a minor can be a 'nominee'. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficiary owner. The details with respect to date of birth of the minor nominee and the flag to indicate such nominee should be captured in the DPM System (NSDL/PI/2005/1102 dated June 22, 2005).

- (e) The Nominee shall not be a trust, society, body corporate, partnership firm, karta of HUF or a power of attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
- (f) Nomination in respect of the beneficiary account stands rescinded upon closure of the beneficiary account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
- (g) Transfer of securities in favour of a Nominee shall be valid discharge by the depository against the legal heir.
- (h) The cancellation of nomination can be made by individuals only holding beneficiary accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non-individuals including society, trust, body corporate, partnership firm, karta of HUF, holder of power of attorney cannot cancel the nomination. If the beneficiary account is held jointly, all joint holders will sign the cancellation form.
- (i) On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.
- (j) Participants must send a communication to their existing Clients who have not yet opted for nomination, to submit a declaration specifically stating the following:
  - I/We the undersigned wish to make a nomination in respect of my Beneficial Owner (BO) account and the nominee details are as follows:
  - I/We the undersigned do not wish to make a nomination in respect of my BO account.

Further, Participants are also requested to refer rule 12.6.3 of Business Rules of NSDL with respect to details on nomination.

**(11) Procedure for change in demographic details**

**(11.1) Change of address (NSDL/PI/2004/1622 dated September 7, 2004 & NSDL/POLICY/2008/0040 dated June 4, 2008):**

- (a) While processing requests for change of address received from Clients, Participants should obtain the following documents:
- (i) a written application for change of address from the Client (In case of joint holdings, all holders must sign the application);
  - (ii) POI [copy of any one of the documents mentioned in (I) (1) (1.3) (a) above of the Client (sole holder or either of the holders) visiting the office of the Participant];
  - (iii) latest transaction statement of the account received from the Participant. In case a Client (sole holder or either of the holders) personally visits the Participant's office to submit an application (signed by all holders in case of joint holdings) for change of address alongwith necessary documents (POI / proof of address) mentioned in point no. (I) (1) (1.3), the Participant need not obtain the transaction statement from such Client (NSDL/POLICY/2007/0030 dated June 18, 2007);
  - (iv) Proof of new address (copy of any one of the documents mentioned in (I) (1) (1.3) (b) above) alongwith the original documents of the new address for verification.
- (b) The Client should personally visit the office of the Participant where the Client maintains and operates his/her account and submit the application for change of address. However, in case the Client expresses inability to personally visit the office of the Participant, the application for change of address alongwith other documents can be submitted through an authorised representative, whose identity the Participant must verify by collecting any of the proof of identity documents as stated in (I) (1)(1.3) above.
- (c) The Client or its authorised representative should sign the application once again in the presence of the officials of the Participant.
- (d) The Participant should verify the signature of the Client on the application and the identity documents with the documents maintained with the Participant. Further, the document pertaining to new address should be verified with the original. After due verification, an authorised official of the Participant should put his/her signature on the application with remarks "**verified with original**" and thereafter record the change of address in the DPM System.
- (e) However, in case Participant could not verify the documents because the records of the documents submitted by the Client are kept at a different place, then the

Participant must verify the same within a period of seven working days and only then effect the change.

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

**(11.2) Change of Signature (NSDL/PI/2004/0045 dated January 7, 2004):**

Participants are advised to follow the below mentioned procedure for effecting change of signature of Clients:

- (i) The Client should make a request in writing specifying reasons for change in signature.
- (ii) New signature should be duly attested by Client's banker.
- (iii) Client should visit the Participant's office personally and produce valid POI. (NSDL/POLICY/2007/0030 dated June 18, 2007)
- (iv) In the presence of officials of Participant, Client should affix his/her new signature.
- (v) An authorised official of the Participant shall, under his signature, verify the identity proof with the proof and photograph that were furnished at the time of opening of account and thereafter, if found satisfactory, make necessary changes in its records.

**(11.3) Change in status of Standing Instruction**

If the Client requests for change in standing instruction, Participant should carry out the changes in the DPM System based on proper authorisation received from the Client (signed by all the holders in case of joint holdings). In case the 'execution date' for change in standing instruction is provided by the Client that date must be entered in the

DPM system. If ‘execution date’ for change in standing instruction is not provided by the Client, then the ‘current date’ of execution of such instruction must be entered (NSDL/POLICY/2009/0090 dated October 1, 2009).

**(11.4) Change in bank details such as account type, account number, name, address and MICR**

- (i) Participant should obtain written request signed by the Client. Participant should ensure that the request submitted by the Client is completely filled, including the bank account particulars of the Client and properly signed (signed by all the holders in case of joint holdings) (NSDL/PI/97/119 dated July 22, 1997).
- (ii) Obtain a specimen copy of cheque and capture the changes in the DPM System.
- (iii) Update the MICR code while updating the bank account details of the depository account holder(s) (NSDL/POLICY/2007/0023 dated April 24, 2007).

Participants need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

**(11.5) Change in SMS flag and / or mobile numbers:**

- (i) Participant must obtain a written request from the Client for change in mobile number and/or SMS flag.
- (ii) For joint holdings, the written request must be signed by the holder whose mobile number and / or SMS flag is being changed.
- (iii) Participants are advised to strictly capture the ten digit mobile number with the first digit as “6” / “7” / “8” / “9” and/or update the SMS flag, as requested by the client.
- (iv) For ease of data entry, the SMS flag gets enabled automatically upon capture / modification of mobile numbers in DPM System. Thus, Participants must take due care at the time of modifying mobile numbers in the DPM System, particularly for Clients who have not opted for SMS alert facility. If the Client submits the mobile number but does not wish to opt for the SMS Alert facility, the Participant should

capture the mobile numbers in the DPM System and disable the SMS flag from front end of DPM System or through back office.

**(11.6) Addition / Deletion / Modification of Power of Attorney holder(s)**

In case the depository account is operated by Power of Attorney and there is an addition / deletion / modification of power of attorney holder(s) of such an account, Participants should carry out the changes in the DPM System after obtaining written request which is duly signed by the Client (signed by all the holders in case of joint holdings) and new Power of Attorney in case of addition / modification. In case of deletion, Participants should ensure to dislodge the signature of the Power of Attorney holder(s) from the DPM System.

**(11.7) Make a nomination / Cancel the Nomination**

In case the Clients request to make a nomination / cancel the nomination in their depository accounts, Participants should carry out the changes in the DPM System after obtaining written request alongwith Annexure JA, which is duly signed by the Client (signed by all the holders in case of joint holdings).

After effecting the changes in the DPM System for the abovementioned demographic details (11.3 to 11.7), the Participant should send a communication (letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit) to such Client informing about the changes effected in the account of the Client.

**(11.8) Changes in Client Details based on request received from Client through email or website of Participants:**

Participant may add, modify or delete the details viz; Phone number, Fax number, Mobile number, Email ID and SMS facility based on the request received from the Client through email or website of Participant provided it ensures compliance with the following:

- (i) Request received through email:

(a) Request is received from the email address which is recorded in the DPM system.

(b) On receipt of request, a confirmation email is sent to the Client at the email address recorded in the DPM system requesting the Client to reply to email.

(c) The Client replies to the email sent as mentioned at point no. (b) above.

(ii) Request received through the website of Participant:

(a) There are adequate systems and security features in place to authenticate the Client and to ensure that the Client itself has made a request for change.

(b) Participant must implement Secure Socket Layer (SSL) security for its internet facility featuring site authentication and encrypted communication and appropriate Client authentication so as to restrict the access only to the Client.

(c) Participant will be liable to conclusively prove the origin, date and time of receipt of request by it.

(iii) The records relating to requests received through email or web portal are maintained by Participant for the stipulated period and are available for audit/inspection, as and when called for.

(iv) After the changes are effected, keep the Client informed about the change through alternate means (e.g.: if mobile number is changed, an email or letter must be sent; if email address is changed, an SMS or letter at the address of the Client must be sent, etc.).

**(II) Guidelines in respect of account opening in case of Body-Corporate (NSDL/PI/2002/1319 dated August 8, 2002)**

**1. Procedure for opening account of a Body-Corporate:**

1.1) Participants shall obtain the following documents at the time of account opening:

- (a) Memorandum & Articles of Association, board resolution for opening and operating depository account and the list of authorised signatories alongwith their specimen signatures and photographs, etc.
  - (b) Introduction by an existing account holder or by the applicant's bank.
  - (c) Proof of Address of the corporate evidenced by the document registered electronically with Registrar of Companies (ROC) or Bank Statement or Leave and License agreement/Agreement for sale or telephone bill (not more than two months old) or electricity bill (not more than two months old) in the name of body-corporate.
- 1.2) An authorised official of the Participant should verify the proof of address with the original documents and put his/her signature on them with remarks "**verified with original**" before proceeding to open the account. In case of documents filed electronically with ROC, Participants can accept such documents as a valid proof of address provided they ensure the following:
- (a) Obtain copies of challans of payments made to ROC
  - (b) Verify the details viz. name of Client, company identification number and address on the website of Ministry of Corporate Affairs viz. <http://www.mca.gov.in> and keep a copy of screen shot.
- 1.3) PAN, address and bank details of the body-corporates should be captured after due verification as mentioned in point no. (I) (2.1), (2.2), (2.3) and (3) above. Participants shall capture the name & specimen signatures of the authorized signatory(ies) and mode of operation in the “signatory name” panel of the DPM System.

## **2. Additional requirement with respect to Foreign Corporate Bodies:**

- (a) Participants are advised to obtain photocopies of Proof of Address in respect of foreign address in case of FII, Foreign Corporate Bodies, Foreign Banks, Overseas Corporate Bodies etc. (referred as foreign entities) and verify the same with originals. In case these foreign entities also have an Indian address, Participants are advised to obtain the photocopies of Proof of Address of local address and verify the same with originals. Further, in case if these entities have



- submitted only Proof of Address as foreign address, in such a situation, Participants may capture the foreign address in both local and foreign address fields given in the DPM System.
- (b) If Participants find it infeasible to verify the original KYC documents (foreign address of these foreign entities) and PAN card, in such a situation it is clarified that:
- (i) the KYC documents and PAN should be duly signed by the authorised signatories; and
  - (ii) attested by the Indian Embassy / Consulate General of the country where the registered office of the foreign entity is situated and
  - (iii) the attestation is to the effect that it has been verified with the originals.
- Participants should open the depository account or accept the PAN card only after it is satisfied with the authenticity of the documents (Proof of Address and PAN card).
- (c) As regards proof of address of FIIs/sub-accounts, a copy of the Power of Attorney given by the FIIs/FII sub-accounts to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address of the FIIs/sub-accounts can be accepted as proof of address.
- (d) U.N. entities/multilateral agencies which are exempt from paying taxes/filing tax returns in India are exempted from the mandatory requirement of PAN. The exemption, however, would be subject to the Participants collecting documentary evidence in support of claim of such entities/agencies. After the Participants are satisfied that such entities are exempt from paying taxes/filing tax returns in India, Participants are advised to capture the description "EXEMPTCATG" under the PAN field and enable the PAN flag in DPM System.
- (e) Participants need not enter into Participant-Client agreement provided :
- (i) FIIs are registered with SEBI and have entered into an agreement with the Participant either directly or through their power of attorney holders in accordance with the provisions of sub-regulation (1) of regulation 16 of the SEBI (Foreign Institutional Investors) Regulations, 1995; and

- (ii) Such agreement gives the Participant an authority to act on behalf of the FIIs for availing the services of the Depository; and
  - (iii) Such agreement has been filed with SEBI;
  - (iv) International Multilateral Agency, who has entered into an agreement with the Participant under regulation 17 of the SEBI (Custodians of Securities) Regulations 1996, and such agreement states that the Custodian will also act as a Participant and all provision pertaining to Participant shall be applicable; then such Participant need not enter into an agreement as per Annexure B of the Bye Laws.
- (f) Participants shall ensure that in case of foreign entities, all transactions in the account are in compliance with FEMA Regulations. Accordingly, Participants are advised to obtain from such foreign entities necessary documents evidencing general/specific approvals as may be required under FEMA Regulations.
- (g) Obtain a declaration from the foreign entity that it has complied and will continue to comply with FEMA Regulations.

**3. Other Types of Body Corporate Accounts (NSDL/PI/2009/0065 dated July 25, 2009):**

**(3.1) Opening of an Escrow Account:**

Participants should accept the following documents for opening of an escrow account:

- (a) KYC documents of Corporate and Escrow Agent.
- (b) Copy of escrow agreement duly signed by all the parties.
- (c) The account should be opened in the name as mentioned in the Scheme, which is approved by a competent authority and is in accordance with SEBI regulations. Further, the operation of such account should be governed by the terms and conditions of escrow agreement.
- (d) Copy of PAN card of both parties involved in such an arrangement. However, PAN details of the Corporate should be captured in the account after the same has been verified in accordance with point above (I) 2 (2.1).
- (e) The account should be used only for holding securities, which are required to be transferred under the specific scheme and in accordance with the SEBI regulations.

- (f) As the account is opened for specific purpose, the same shall be closed immediately after the shares held in the account are transferred to the respective demat accounts or are extinguished as required under the said scheme.

**(3.2) Procedure for opening depository account for unclaimed shares of listed companies**

- (a) The depository account may be opened in the name as “<Name of Issuer> – Unclaimed Suspense Account” under the type “Body Corporate” and sub-type “Others” by the Issuer.
- (b) The Issuer shall submit a declaration on its letterhead, signed by the authorized signatories, stating that: “*We hereby undertake that we will ensure compliance with the provisions of the applicable SEBI guidelines for dealing with unclaimed shares. We further undertake that the said depository account will only be used for specified purposes*”.
- (c) Procedure mentioned above in point no. (II)(1) about opening of depository account in case of body corporate should be followed.

**4. Procedure for opening depository account for Limited Liability Partnership (LLP)**

- (4.1)** Obtain the following documents at the time of account opening:
- (a) Limited Liability partnership agreement and certificate of registration.
  - (b) Resolution/Authority Letter for opening and operating account alongwith list of authorised signatories, specimen signatures and photographs.
  - (c) Introduction by existing account holder or by applicant’s bank.
  - (d) Any of the following documents as valid proof of address of LLP:
    - (i) Documents registered with ROC; or
    - (ii) Acknowledged copy of Income Tax return; or
    - (iii) Bank statement; or
    - (iv) Leave and License agreement / agreement for sale; or
    - (v) telephone bills (not more than two months old); or
    - (vi) electricity bills (not more than two months old).

- (e) PAN, address and bank details of LLP.
- (4.2) An authorised official of the Participant should verify the proof of address with the original documents and put his/her signature on it with remarks "**verified with original**" before proceeding to open the account.
- (4.3) PAN, address and bank details of LLP should be captured after due verification as per the procedure mentioned in point no. (I) (2.1), (2.2), (2.3) and (3) of Master Circular no. NSDL/POLICY/2009/0029 dated April 16, 2009.
- (4.4) Participants shall capture the name & specimen signature(s) of the authorized signatory(ies) and mode of operation in the "signatory name" panel of the DPM System.
- (4.5) Participant may open the depository account in the name of LLP Client under the Type 'Body Corporate' and sub-type 'Limited Liability Partnership'.

## **5. Procedure for change in demographic details of body-corporate account.**

- (5.1) **Change of Address:** (NSDL/POLICY/2009/0032 dated May 4, 2009)
  - (a) A written application for change of address of the corporate entity, signed by the authorised signatories should be submitted to the Participant.
  - (b) Atleast one of the authorised signatories should visit the office of the Participant in person to submit its application for change of address alongwith necessary documents. However, in case authorised signatories expresses their inability to personally visit the Participant's office, the application for change of address alongwith other documents including the latest transaction statement can be submitted through an authorised representative whose identity the Participant must verify by collecting any of the proof of identity documents as stated in (I) (1) (1.3) above.
  - (c) The authorised signatories or their authorised representative should sign the application once again in the presence of the officials of the Participant.
  - (d) Participant should collect Proof of new address (copies of documents mentioned under (II) (1) (1.1) alongwith the original document of new address, for verification by the Participant).
  - (e) An authorised official of the Participant shall verify the application and the abovementioned documents with the original and put his/her signature on the

application with remarks "**verified with original**" and thereafter record the change of address in the DPM System.

- (f) The Participant should write a letter to the Client (Body-Corporate) at the old address as well as the new address to confirm the change of address.

**(5.2) Change of authorised signatory:**

In case of change in authorised signatory, the Client should provide a fresh board resolution mentioning authorised signatories who shall operate the depository account alongwith the specimen signature and photograph of the new authorised signatory. Participants need not obtain the details of the existing authorised signatories if they remain unchanged. Thereafter, Participants are advised to capture the signature of the new authorised signatories in the DPM System. Participants should ensure that the signatures of the outgoing authorised signatories should be dislodged from the DPM System.

**(5.3) Change in status of Standing Instruction:**

If the Client requests for change in standing instruction, Participant should carry out the changes in the DPM System based on proper authorisation signed by the authorised signatories of such an account.

**(5.4) Change in bank details such as account type, account number, name, address and MICR:**

- (i) Participant should obtain written request signed by the authorised signatories. Participant should ensure that the request submitted by the Client is completely filled, including the bank account particulars of the Body-Corporate and properly signed by authorised signatories (NSDL/PI/97/119 dated July 22, 1997).
- (ii) Obtain a specimen copy of cheque and capture the changes in the DPM System.
- (iii) Update the MICR code while updating the bank account details of the Client (NSDL/POLICY/2007/0023 dated April 24, 2007).

Participants need not seek from their Clients the proof of the bank details for capturing the bank details in the depository account, if they have direct access to the bank records for verification of the bank details provided by their Clients.

**(5.5) Addition / Deletion / Modification of Power of Attorney holder(s)**

In case the depository account is operated by Power of Attorney and there is an addition / deletion / modification of Power of Attorney holder(s) of such an account, Participants should carry out the changes in the DPM System after obtaining written request which is duly signed by the authorised signatories and new Power of Attorney in case of addition / modification. In case of deletion, Participants should ensure to dislodge the signature of the Power of Attorney holder(s) from the DPM System.

**(5.6) Changes in Client Details based on request received from Client through email or website of Participants:**

Participant may add, modify or delete the details viz; Phone number, Fax number, Mobile number, Email ID and SMS facility based on the request received from the Client through email or website of Participant provided it ensures compliance with the following:

(i) Request received through email:

(a) Request is received from the email address which is recorded in the DPM system.

(b) On receipt of request, a confirmation email is sent to the Client at the email address recorded in the DPM system requesting the Client to reply to email.

(c) The Client replies to the email sent as mentioned at point no. (b) above.

(ii) Request received through the website of Participant:

(a) There are adequate systems and security features in place to authenticate the Client and to ensure that the Client itself has made a request for change.

(b) Participant must implement Secure Socket Layer (SSL) security for its internet facility featuring site authentication and encrypted communication

and appropriate Client authentication so as to restrict the access only to the Client.

(c) Participant will be liable to conclusively prove the origin, date and time of receipt of request by it.

(iii) The records relating to requests received through email or web portal are maintained by Participant for the stipulated period and are available for audit/inspection, as and when called for.

(iv) After the changes are effected, keep the Client informed about the change through alternate means (e.g.: if mobile number is changed, an email or letter must be sent; if email address is changed, an SMS or letter at the address of the Client must be sent, etc.).

**6. Change in name of Body-Corporate accounts (NSDL/POLICY/2008/0085 dated December 16, 2008):**

(i) The DPM System allows Participants to make name change in Corporate accounts for Client types viz., Body-Corporate, Bank, Financial Institution (FI), FII, Mutual Fund (MF), Trust and various sub-types as given in the enclosed Annexure I.

(ii) Documents required to be collected by Participants at the time of change of name of Corporates are given below:

(a) In case the entity is registered under the Companies Act, 1956, the following documents should be obtained from the Client:

- Letter requesting for change of name signed by the authorized signatories.
- Certified true copy of fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies.
- Certified true copy of Board Resolution for change of name.

(b) In case of other corporate entities, the following documents should be obtained from the Client:

- Letter requesting for change of name signed by the authorized signatories.
- Certified true copy of Board Resolution for change of name.

- Certificate of registration issued by SEBI / relevant Statutory Authorities, as applicable.
- (iii) The change of name for a Corporate account can be carried out in the DPM System through Client Modification Module - Primary and Address Details Modification.
- (iv) While carrying out the modifications, the name of any existing account holder of an account can neither be deleted nor any new name can be added. Participants can only make changes to the name(s) of existing account holder(s) of the account.
- (v) When the instruction is captured and verify/released, the DPM System will flash:
- (i) an alert message on the screen as to whether the Participant wishes to make changes to the PAN, email ID, mobile number etc. of the account holder. Participants may ignore such message if there are no changes to be carried out with respect to the aforesaid details.
  - (ii) a warning message on the screen to re-capture the signatures of the authorized signatories. Participants may ignore such message if Participants have already re-captured the signatures of the authorized signatories or there is no change to the authorized signatories.
- (vi) The Client Name Audit Report in the DPM System will display the old as well as new name of the Corporate.

Note :

1. In case of amalgamation / scheme of arrangement, Participants are requested to close the existing account and open new account by following the prevailing process, as at present.
2. Name change to the Corporate account can be carried out only through the front end application of the DPM System.
3. The pledge details in the DPM System of the Participant of the pledgee will continue to reflect the old name of the Corporate, if the Corporate is the pledgor.
4. Subsequent to name change, the Transaction Statement (SOT) report will reflect the new name of the Corporate for the SOT generated for the past dates as well. The Statement of Holding (SOH) report will also reflect the new name of the Corporate.



Hence, it is for the Corporate to decide whether it wants to open a new account or continue with the existing account with the new name.

After effecting the changes in the DPM System for the abovementioned demographic details (point nos. 5.2 to 5.5 and 6), the Participant should send a communication (letter / email / Client Master Report generated from the DPM System or its back office or any other mode which the Participant may deem fit) to such Client informing about the changes effected in the account of the Client.

**(III) Depository accounts opened in the capacity of Individual/Body Corporate as applicable**

**(1) Procedure for opening depository account in case of Trusts such as Provident Fund trusts, Gratuity trusts, Superannuation trusts etc. (NSDL/POLICY/2008/0018 dated March 24, 2008)**

The procedure and documents required for the opening of depository accounts in case of registered trusts/ public trusts, un-registered / private trusts and trusts established by organisations for providing terminal benefits to its employees is as follows:

**(A) Registered Trust:**

In case the depository account is to be opened by a registered trust where a registration certificate is issued by a Statutory Authority under the provisions of the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, Participants are advised to obtain the following documents:

- (i) Requisite KYC documents, PAN Card and Bank details of the registered trust as per the requirement mentioned at Point Nos. II (1) above for body corporate.
- (ii) Notary certified true copy of the trust deed,
- (iii) Certified true copy of registration certificate issued by the authority under provisions of the Bombay Public Trusts Act, 1950 or The Indian Societies Registration Act, 1860,

(iv) Certified copy of the resolution passed by the Board of Trustees giving the names of trustees authorised by the Board of Trustees to open and operate the depository account.

After obtaining the documents, Participants are advised to follow the below mentioned procedure:

- (i) Open the depository account under the category and in the name of "Trust",
- (ii) Capture the PAN and Bank details of the registered trust in the DPM System after due verification,
- (iii) Capture the signature of the trustee(s) in the DPM System.

**(B) Unregistered Trust:**

The Department of Company Affairs had vide its circular dated June 12, 1957 clarified that the shares in a company which are the property of trust can be held in the names of trustees being Individuals, Corporations, Companies or Societies registered under the Societies Registration Act, 1860 without the addition of the statement that they are trustees. It is also further clarified in the said circular that the shares can be held in the name of a trust if the trust is a separate legal entity such as registered society. Hence, unless the trust is a separate legal entity, the depository accounts have to be opened in the names of trustees irrespective of whether they are Individuals, Corporations or Companies.

As per the circular issued by the Department of Company Affairs, the relationship of trust between a trustee and the beneficiary is not required to be taken note of in the account by the Participants while opening the depository account. Trusts established for holding of securities for the benefit of family members, holding of securities for the benefits of employees etc would fall in this category. In these cases, Participants are advised to treat the applicant as a private trust and obtain the following documents:

- (i) Notary certified true copy of the trust deed,
- (ii) If the trustee(s) are individuals, then open the depository account in the individual name under the category 'Individual' by obtaining documents viz. Account opening form, POI, Proof of Address, etc. of the Client / Applicant, including carrying out **'in-**

**person'** verification, as per the procedure laid down in Clause No. (I) (1) above for non body-corporate accounts,

- (iii) In case the trustee(s) of the unregistered trust are corporations, companies or entities registered under the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, then open the accounts in their respective names under the Type 'Body-Corporate' and Sub-type 'Others' by obtaining documents mentioned at Point No. (II) (1) above for body corporate. Further, Participants should obtain certified copies of the resolution passed by such entities giving the names of the authorised official(s) i.e. trustee(s) who shall open and operate the depository account,
- (iv) Only those securities that belong to the trust can be held in such a depository account. Securities belonging to the trustee(s) in their individual capacities will have to be held in separate depository account(s) of such person(s),
- (v) Capture the PAN and Bank details of the unregistered trust in the DPM System, after due verification,
- (vi) Capture the signature of the individuals in case the trustee(s) are individuals. In case the trustee(s) of the unregistered trust are corporations, companies or entities registered under the Bombay Public Trust Act, 1950 or The Indian Societies Registration Act, 1860, capture the signature of the authorised signatories in the DPM System.

(C) Opening of accounts for Terminal Benefit Funds operated as Trusts:

In case of terminal benefit funds such as Provident Fund / Gratuity Fund / Superannuation Fund that are operated as Trusts and where a Recognition Certificate is issued by the Income Tax Authorities and / or the Regional Provident Fund Commissioner, as the case may be, Participants are advised to obtain the following documents:

- (i) Requisite KYC documents, PAN and Bank details of the trust as mentioned at Point No. II (1) above for body corporate,
- (ii) Notary certified true copy of the trust deed,

- (iii) Certified true copy of Recognition Certificate issued by the Income Tax Authorities and / or the Regional Provident Fund Commissioner, as the case may be,
- (iv) Certified copy of the resolution passed by the Board of Trustees giving the names of trustee(s) authorised by the Board of Trustees to open and operate the depository account,
- (v) Only those securities that belong to the trust can be held in such an account. Securities belonging to the trustee(s) in their individual capacities will have to be held in a separate depository account(s) of such person(s).

After obtaining the documents, Participants are advised to follow the below mentioned procedure:

- (i) Open the depository account under the category and in the name of "Trust",
- (ii) Capture the PAN details and Bank details of the registered trust in the DPM System after due verification,
- (iii) Capture the signature of the trustee(s) in the DPM System.

**(2) Opening of promoter account (NSDL/POLICY/2007/0047 dated August 13, 2007)**

Separate sub-types are available in the DPM system to enable promoters to separately hold securities issued as "Promoter" of the company. While opening such accounts, Participants are advised to obtain an undertaking from the Client that said beneficiary account(s) are opened for the sole purpose of holding and transacting for the securities held as promoter and no other securities will be held/transacted in the said account.

**(3) Opening of DR account (NSDL/PI/2002/0846 dated May 29, 2002, NSDL/PI/2002/1336 dated August 9, 2002 and NSDL/PI/2009/0059 dated July 18, 2009):**

A sub-type "DR" is present for the Client types viz.: 'Resident', 'Non Resident Indian', 'Foreign Institutional Investor', 'Corporate Bodies', 'Foreign National' and 'Mutual Fund'. This sub-type is for the purpose of enabling investors to separately hold equity shares issued upon cancellation of Depository Receipts (GDR/ADR) held by them. Further, the

existing account holders under Client type 'Foreign National' have been categorised under the sub-type "FN".

In this context, Participants are advised as follows:

- (a) In order to receive the securities issued upon cancellation of the Depository Receipts (DRs) held by the investors, they will have to open a separate account with sub-type "DR" under the relevant Client type/category and ensure that only such securities are credited in this account.
- (b) The standing instruction indicator in the DPM System **should not be enabled** for accounts with sub-type "DR". The Clients will have to give specific receipt instructions to the Participants for receiving securities issued upon cancellation of DRs.
- (c) In this regard, it is also clarified that since the Client has already been identified by the Participant (the Client should be an existing account holder), a separate agreement may not be required. However, Participants must ensure that the Client gives a letter mentioning its intention to open a separate account for holding DR-cancelled securities and that it will be bound by the agreement it had earlier signed with the Participant (NSDL/PI/2002/0899 dated June 7, 2002).

**(4) Opening of a Commodity Account (NSDL/PI/2003/1882 dated November 27, 2003, NSDL/PI/2005/1441 dated August 9, 2005 and NSDL/POLICY/2009/0007 dated January 20, 2009)**

- (i) Account opening procedure will be similar to depository account. All precautions and procedures for account opening, change in address, etc. as applicable to securities account shall be followed. For the purpose, Participant should be empanelled with Commodity Exchanges (who have established connectivity with NSDL) for providing depository services relating to warehouse receipts.
- (ii) Accounts opened under this agreement shall hold only electronic warehouse receipts of respective Commodity Exchanges and cannot be mixed up with other securities. Further, the Participant needs to open separate accounts and enter into separate agreements with the Clients for holding warehouse receipts of NCDEX and MCX. In

case the Client intends to hold warehouse receipts of National Spot Exchange Limited (NSEL), the account opened for holding warehouse receipts of MCX can be used, provided the Participant is empanelled with both MCX and NSEL. If the Participant is exclusively empanelled with NSEL, Clients need to open a depository account and execute the prescribed agreement with the Participant for holding electronic warehouse receipt of NSEL.

- (iii) Participants may make their own business/contractual agreement with the Commodity Exchanges / warehouse owners, as they deem fit, including terms and conditions related to collection of rent, etc. If Participants are required to collect any charges/tax/rent on behalf of Commodity Exchanges / Warehouse, Participants may have to ensure that such function has adequate legal basis.
- (iv) NSDL will issue circular relating to activation of Commodities Identifier [ICIN] (equivalent to ISIN) as and when such ICINs are activated in the system. The transaction statement will contain ICIN-wise balances. Commodity descriptor will contain unit of measurement, for e.g.:- "(ICIN No.) Castor Seed Grade A, Ahmedabad ( in MTs)." MT = Metric Tonnes.
- (v) Initial credit of electronic warehouse receipts into depository account will be effected by way of corporate action.
- (vi) Procedure for transfer, pledge and freeze will be the same as is applicable to securities.
- (vii) Participants are advised to note that for making a request for delivery of commodities/metals represented by warehouse receipts "Physical Delivery Request Form" (PDRF) in the prescribed format should be filled-up by the Clients and after processing the requests such instructions should be executed in the DPM System by the Participants using 'Remat/Repurchase Screen' under the type 'Remat'. The procedure for rematerialisation of warehouse receipts will be same as is applicable for securities. Participant shall issue acknowledgment for receipt of the remat request by entering remat request (transaction) number on the acknowledgment portion and attest the signature of the Client on the copy of PDRF. Client will submit this

acknowledgment and attested copy of PDRF to the warehouse at the time of taking delivery.

**(5) Procedure regarding operation of account through Power of Attorney (NSDL/PI/2000/982 dated June 23, 2000):**

**(5.1) Sample Clause**

A sample clause is given hereunder which if it forms a part of the Power of Attorney could suffice:

*"To sell or otherwise deal with or dispose of and to purchase, subscribe or otherwise acquire in any manner from the market or under public or rights issues or otherwise and accept the transfers of any stocks, funds, shares, debentures, Government and other promissory notes, securities, bonds, debentures, annuities or other mercantile negotiable instruments which shall or may at any time belong to me or which hereafter be transferred to me, whether solely or jointly and whether in my own right or having any other interest of whatsoever nature and however arising and in any capacity whatsoever including those belonging to others with my name and for such purposes to sign, execute or endorse all instruments of transfer and other documents for any purpose what so ever by the virtue of these present."*

**(5.2) General points regarding Power of Attorney**

- (i) A Power of Attorney executed prior to the promulgation of The Depositories Act is valid and enforceable.
- (ii) It is the responsibility of the Participant to verify whether the Power of Attorney is adequate and sufficiently authorising the holder of the Power of Attorney i.e., the donee to operate the account of the beneficial owner.
- (iii) Power of Attorney should be notarized in case of photocopy.
- (iv) Depository accounts can be operated both by the account holder(s) as well as by the Power of Attorney holder i.e. donee. For this purpose, Participants should ensure that the signatures of the account holder(s) and the Power of Attorney holder are captured in the DPM System (NSDL/POLICY/2007/0054 dated September 22, 2007).

(v) With respect to accounts that are operated through Power of Attorney, Participant should ensure to enable the Power of Attorney flag of such accounts.  
(NSDL/PI/2005/1102 dated June 22, 2005)

**(5.3)** Participants are advised to review the Power of Attorney document and if the Power of Attorney contains any clause similar to what has been stated below, the Power of Attorney should be modified suitably

- (i) Power of Attorney Holder i.e. Donee has the sole authority to operate the account and the account holder(s) is/are restrained from operating the account;
- (ii) DIS books are denied to the account holders who have executed a Power of Attorney;
- (iii) Participants are authorised to merge the securities kept under various accounts of the Clients; and
- (iv) Participants will have a lien on the securities of the Clients.

The above clauses are against the interests of investors and Participants are advised to desist from including such clauses in the Power of Attorney.

Participants are advised to provide DIS books to the Clients who have executed a Power of Attorney and allow the Clients to operate their accounts as well.

Further, Participants are advised to maintain separate accounts of the clients, in conformity with Regulation 42 of SEBI (Depositories and Participants) Regulations, 1996. Lien on the securities can be created only as per Regulation 58 of SEBI Regulations and as per the procedure laid down in the Bye Laws and Business Rules of NSDL (NSDL/PI/2005/2329 dated November 25, 2005).

**(IV) Procedure for opening and shifting of Clearing Member (CM) Account:**

**1) Opening of CM Account**

- (a) The CM should fill up the Account Opening Form as per the format given in Annexure K of the Business Rules of NSDL and submit the same to the Participant alongwith the agreement (as per Annexure B in the Bye Laws) duly executed on a stamp paper of appropriate value. Further, the Participant shall be responsible in deciding the value of the stamp paper. The schedule of fees to be charged by the Participant to the CM should form a part of the agreement.
- (b) Following documents are required for opening a CM account:



- (i) A copy of the letter from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID to the CM signed by its authorised official.
  - (ii) A copy of the latest SEBI registration certificate (not applicable for CMs of Commodity Exchanges).
  - (iii) Board Resolution for authorised signatories.
  - (iv) Memorandum of Association and the Articles of Association (in case of Corporates).
  - (v) Specimen copy of the cheque for capturing the 9-digit MICR code.
- (c) Participant should verify the completeness of the account opening form and verify the copies submitted with the original documents.
- (d) If the documents are in order, the Participant should accept them and give an acknowledgement duly signed and stamped to the CM.
- (e) The Participant should forward the following documents to NSDL for allotment of CM BP ID
- (i) Copy of Account opening form,
  - (ii) Copy of the letter from the Clearing Corporation/Stock Exchange intimating allotment of the CC-CM-ID signed by its authorised official and copy of the latest SEBI registration certificate (not applicable for CMs of Commodity Exchanges). These documents should be verified with the original document and stamped "**Verified with Original**" alongwith the stamp of the Participant, signature of Compliance Officer, name and designation.
- (f) NSDL will allot the CM-BP-ID and intimate to the Participant electronically.
- (g) The Participant should capture the signature(s) of the authorised signatories as given in the Account Opening Form in the DPM System.
- (h) The Participant should enter the Client account number generated from the DPM System in the Account Opening Form.
- (i) The Participant should print the Client Master Report and give it to the CM alongwith a copy of the Agreement.

**(1.1) Shifting/Closure of CM Account (NSDL/PI/005 dated February 5, 1997)**

The CM may close an existing clearing account and open a new clearing account with another Participant. The CM will have to submit an application for closure of account to its Participant and an application for opening a CM account along with other documents for shifting of the CM account as explained below to the new Participant. The existing CM account will be closed by the old Participant after balances are moved out by the CM. The CM will be assigned a new CM-BP-ID by NSDL and a new CM account will be opened by the new Participant. Further, the CM may also submit the closure application upon closure of business/suspension, Participant may close the account.

The procedure for closure and shifting of CM account is as follows:

- (a) The CM will submit the application for closing the clearing account to the Participant (old) in duplicate.
- (b) The Participant (old) will verify that the application for closing the clearing account is duly filled and if in order issue an acknowledgement to the CM on the duplicate copy.
- (c) If the application is not in order the Participant will return the application to the CM for rectification.
- (d) The CM will submit the following documents to the Participant (new):
  - (i) Application for opening a CM account (as mentioned in point no. (IV) (1))
  - (ii) Letter from Clearing Corporation/Stock Exchange regarding allotment of CC-CM-ID signed by its authorised official.
  - (iii) Application for shifting of clearing account. (as per the below given format)
  - (iv) Acknowledgement copy (signed & stamped by the authorised official) of the application for closure of the account from the previous Participant.
  - (v) Copy of the latest SEBI registration certificate (not applicable for CMs of Commodity Exchanges).

Participant should verify the completeness of the account opening form and verify the copies submitted with the original documents.

- (a) If the application is not in order the Participant will return the application to the CM for rectification.

- (b) If the application is in order, the Participant (new) will execute the agreement and give a copy of it to the CM.
- (c) The Participant (new) will forward the copy of the account opening form along with the above mentioned documents to NSDL. All the documents should be verified with its original and a stamp "**Verified with Original**" should be put on the same alongwith the name, designation and signature of compliance officer. NSDL will allot the Clearing Member a new CM-BP-ID.
- (d) The Participant (new) will open the clearing account after the new CM-BP-ID is downloaded to its DPM System and intimate NSDL about opening of the account and the date from which pay out is intended to be received in new CM account, however, not later than seven days from opening of CM account by the Participant (new).
- (e) The new account will be marked to receive receipts-in due on pay-out after NSDL receives intimation from Participant (new).
- (f) NSDL will intimate the Participant (old) to commence the procedure for closure of the account.
- (g) On receipt of intimation from NSDL, the Participant (old) will disable the standing instruction (if any). After the completion of one BOD/EOD cycle, the Participant will verify the balances in the clearing account. If the balances happen to be zero and there are no outstanding instructions for the clearing account, the Participant will change the status of the account to "To be closed" and intimate NSDL accordingly.
- (h) On receipt of intimation from the Participant (old), NSDL will revoke the old CM-BP ID of the CM.
- (i) In case balances in its clearing account are not zero, the Participant (old) will inform the CM to move its balances out of the CM Pool account in a reasonable time.
- (j) The Participant (old) will again verify the balances in the account. If the balances happen to be zero, the Participant will follow the procedure mentioned in point no. (g) above.
- (k) If the balance in the old clearing account has not been reduced to zero within one week of opening of the new account, the Participant (old) shall inform NSDL forthwith that the balance has not been reduced to zero.

#### **APPLICATION FOR SHIFTING OF CLEARING ACCOUNT**

To be forwarded through **Depository Participant (new)**

Date:

Mr. Prashant Vagal  
Vice President  
National Securities Depository Limited  
Trade World 4<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg Lower Parel  
Mumbai - 400 013

Dear Sir,

Sub: Shifting of Clearing Member Account

This is to inform you that we wish to shift our Clearing Member Account as per the details mentioned below:

Name of Clearing Member (CM)	
Name of Clearing Corporation (CC)	
CC - CM -ID (Allotted by CC)	
CM- BP-ID (existing) (Allotted by NSDL)	
Name of Depository Participant ( Old)	
Name of Depository Participant (New)	

We request you to please allot a new CM-BP-ID to facilitate shifting of the Clearing Member Account.

Yours faithfully,

**(Clearing Member)**

**(1.2) Procedure for name change of CM account**

The following documents should be forwarded to NSDL for effecting change of name in the CM account.

- (a) Copy of the latest SEBI registration certificate in the new name (not applicable for CMs of Commodity Exchanges).
- (b) Letter from the Clearing Corporation/Stock Exchange signed by its authorised official mentioning the CC-CM-ID and effecting the change of name in its system.
- (c) Copy of document/ certificate received from ROC notifying the name change.
- (d) Copy of High Court Order in case of name changes due to mergers/amalgamations.

These documents should be verified with the original document and a stamp "**Verified with Original**" should be affixed on the documents alongwith name, designation and signature of Compliance Officer.

**(2) Opening of Margin Account (NSDL/POLICY/2007/0029 dated June 15, 2007)**

A new sub-type viz. "**Margin Account**" has been added to the Client types viz.; 'Resident' and 'Body Corporate' under Client Maintenance Module in DPM System.

The new sub-type "**Margin Account**" is added to enable CMs to open beneficiary accounts to hold securities for Client margin purposes. While opening such accounts, Participants are advised to obtain an undertaking from the CM/Brokers that the said beneficiary account(s) are opened for the sole purpose of holding and transacting for Client margin purposes and no other securities will be held/transacted in the said account.

**(V) FAQs related to Account opening**

**(1) What is the procedure for accepting telephone bills as Proof of address?**

**(NSDL/POLICY/2006/0026 dated July 17, 2006)**

Telephone bills in respect of landline telephones provided by any service provider can be accepted as proof of address. It is hereby clarified that telephone bills (not more than two months old) pertaining to only Landline telephones (other than Fixed Wireless Phone) irrespective of the service provider can be accepted by Participants as proof of address. Participant may ascertain the fact that such telephone number exists in the name of the entity, by making a call or by any other means.

**(2) In case of Corporate Client whether proof of address filed electronically can be accepted as proof of address?**

As per the recent amendments in Income Tax Act, 1961 and Companies Act, 1956, Companies are required to file various documents, returns etc electronically. In this regard, it is hereby clarified that acknowledged copy of Income Tax Return, if filed electronically, will not be accepted as a valid proof of address in case of corporate Clients. Further, in case of documents filed electronically with ROC, Participants can accept such documents as a valid proof of address provided they ensure the following:

- a. obtains copies of challans of payments made to ROC.
- b. verify the details viz. name of Client, company identification number and address on the website of Ministry of Corporate Affairs viz. <http://www.mca.gov.in> and keep a copy of screen shot.

**(3) What is procedure for opening a beneficiary account in the name of a proprietorship firm?**

Participants are advised to note that a depository account cannot be opened in the name of the proprietorship firm. The account has to be opened in the name of the proprietor by obtaining the documents mentioned in point no. (I) (1) (1.3) above and capturing the PAN details of the proprietor.

**(4) Can a commodity depository accounts be opened in the name of "Partnership firm" and "Proprietorship firm"?**

Commodity depository accounts can be opened in the name of "Partnership firm" and "Proprietorship firm" under type/sub-type "Body Corporate/Others", as the structure and regulations governing transactions in commodities do not prohibit a partnership/proprietorship firm to hold commodities in the name of partnership/proprietorship firm. For the purpose, Participant should be empanelled with *Commodity Exchanges* for providing depository services relating to warehouse receipts.

**(5) What is the procedure to be followed if there are more than three holders?  
(NSDL/PI/99/231 dated April 8, 1999)**

In the account opening module of the DPM System, there is a provision for only three joint names as presently, allotments in the primary market and purchases in the secondary market are permitted only with a maximum of three joint names. However, there are very old cases of shareholdings where the number of joint holders are four or even more. The issue of dematerialisation of such holdings was discussed in the SEBI meeting held on February 12, 1999 and it was decided that Depositories shall formulate a system to incorporate more than three joint names for Client accounts and Participants shall be advised accordingly. It was also decided that no credits, other than on account of dematerialisation of securities would be allowed to such accounts. In view of this, Participants are advised to follow the procedure given below for the same :

A separate account must be opened in the name of the joint holders with four or more names. The standing instructions to receive credits, receipt instructions, new issue applications and any other instruction which has the effect of crediting this account should not be accepted. Appropriate annexure should be attached to the account opening form in order to include various details viz; name, address, signatures, etc. of more than three holders. An undertaking should be obtained from the Client on the lines that "the Client shall not use this account for the purpose of allotments in the primary market or purchases from the secondary market and hence no instructions other than for dematerialisation, bonus, rights & preferential offer will be given by the Client to any person which has the effect of crediting this account"

While opening the account, the Participant shall capture the names of the four or more joint holders by numbering them in the DPM and entering the first holder's name in the first holder's field and accommodating the rest of the names in the fields for second and the third holder, eg. : - In case of joint holdings in four joint names of Mr. A, Mr. B, Mr. C & Mr. D, the account can be opened in the DPM as follows; First Holder's Name : 1. Mr. A; Second Holder's Name 2. Mr B; Third Holder's Name 3. Mr. C 4. Mr. D.

The Participant shall process the dematerialisation request as per the usual procedure while ensuring that the pattern of holding as per the certificate tallies with the pattern of holding as per the account. After the balances in such joint account become nil, the aforesaid joint account should be closed.

Participants are further advised that in case of holdings of a "Trust" held in the joint names of four or more trustees, the procedure given above for opening the account can be adopted without any restrictions on receiving credits into that account.

**(6) Whether bank statement can be accepted as Proof of Address?**

(NSDL/POLICY/2007/0074 dated December 01, 2007, NSDL/POLICY/2008/0037 dated May 27, 2008 and NSDL/POLICY/2009/0076 dated August 28, 2009)

Yes. The bank statement should not be more than two quarters old as on the date of receipt of the account opening form. Further, the bank statements may be monthly or for any other period, subject to the foregoing.

Examples:

<b>Sr. No.</b>	<b>Date of receipt of Account Opening Form</b>	<b>Bank statement should not be older than</b>
1.	September 15, 2009	March 31, 2009
2.	October 15, 2009	June 30, 2009

(i) **Original** bank statement:

Conditions:

- (a) The original bank statement is printed on the stationery of the bank, carries logo & name of the bank, displays the name and address of the Client.
- (b) Obtain a cancelled cheque leaf in original OR a photocopy of cheque and the authorized official of Participant should verify the same with the original cheque and put his/her signature on it with the remarks "**verified with original**".



- (c) Match the bank details including the account number mentioned on the cheque with that mentioned in the bank statement.

**(ii) Copy of bank statement:**

Conditions:

- (a) All the conditions mentioned at point no. (i) (a) to (c) are followed.
- (b) The authorised official of the Participant should verify the photocopy of the bank statement submitted with the corresponding original and put his/her signature on it with the remarks "**verified with original**".

**(iii) Original Bank statement on plain paper (Computer generated):**

Conditions:

- (a) The bank statement clearly mentions the name and address of the Client.
- (b) The bank statement is duly attested (signed and stamped) by the authorised official of the bank mentioning the name and designation of such authorized official.
- (c) Obtain a cancelled cheque leaf in original OR a photocopy of cheque and the authorized official of Participant should verify the same with the original cheque and put his/her signature on it with the remarks "**verified with original**".

**(iv) Bank statement issued in electronic form:**

Conditions:

- a) Print out of the bank statement clearly mentions the name and address of the Client.
- b) Obtain a cancelled cheque leaf in original OR a photocopy of cheque with the name of the Client pre-printed on it. However, in case of a photocopy of cheque it can be accepted provided the authorized official of Participant verifies the same with the original cheque and puts his/her signature on it with the remarks "**verified with original**".

**Disclaimer : While every care has been exercised by NSDL in compiling the master circular out of the various circulars/guidelines issued by NSDL from time to time, NSDL does not warrant completeness or accuracy of information and disclaims all**

**liabilities, losses and damages arising out of the use of this information. For any specific/latest information, Participants are requested to refer to the relevant circular(s) issued by NSDL from time to time.**

Annexure I – Types and Sub-types for Corporate accounts where change of name can be effected in DPM System

Sr.No.	Type	Sub-Type
1	FI	Govt. sponsored FI
2	FI	SFC
3	FI	Others
4	FI	Govt. sponsored FI – Promoter
5	FI	SFC-Promoter
6	FI	Others-Promoter
7	FII	Mauritius Based
8	FII	Others
9	FII	DR
10	Body Corporate	Domestic
11	Body Corporate	OCB-Repatriable
12	Body Corporate	Govt.Companies
13	Body Corporate	Central Government
14	Body Corporate	State Government
15	Body Corporate	Co-operative Body
16	Body Corporate	NBFC
17	Body Corporate	Non-NBFC
18	Body Corporate	Broker
19	Body Corporate	Group Company
20	Body Corporate	Foreign Bodies
21	Body Corporate	Others
22	Body Corporate	OCB-NonRepatriable
23	Body Corporate	OCB-DR
24	Body Corporate	Foreign Bodies – DR
25	Body Corporate	Margin Account
26	Body Corporate	Domestic-Promoter
27	Body Corporate	Govt.Companies - Promoter
28	Body Corporate	Central Government - Promoter
29	Body Corporate	State Government - Promoter
30	Body Corporate	NBFC-Promoter
31	Body Corporate	Non-NBFC-Promoter
32	Body Corporate	Group Company - Promoter
33	Body Corporate	Foreign Body-Promoter
34	Body Corporate	Others-Promoter

35	Body Corporate	Co-operative Body - Promoter
36	Body Corporate	Foreign Venture Capital
37	Body Corporate	Domestic – DR
38	Body Corporate	Limited Liability Partnership
39	Body Corporate	Limited Liability Partnership - DR
40	Mutual Fund	DR
41	Mutual Fund	MF
42	Bank	Foreign Bank
43	Bank	Co-operative Bank
44	Bank	Nationalised Bank
45	Bank	Others
46	Bank	Others-Promoter
47	Bank	Nationalised Bank - Promoter
48	Bank	Foreign Bank - Promoter
49	Bank	Co-operative Bank - Promoter
50	Trust	