

Transfers, Pledge and Margin Pledge of Securities



Indian Securities Market - Overview



Starting Investment in Securities Market

Accounts Required



Bank Account



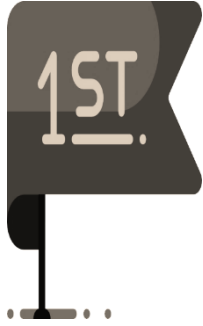
Trading or Broking Account



Demat Account

Many DPs offer a 3-in-1 account opening facility which gives you the convenience of opening a trading, demat and bank account – all together. Now many DPs are offering online demat account opening. Trading or Broking account is required only if you want to buy / sell shares through stock exchange.

About NSDL



1996

First Depository
in India



One of the leading Depositories in
the world

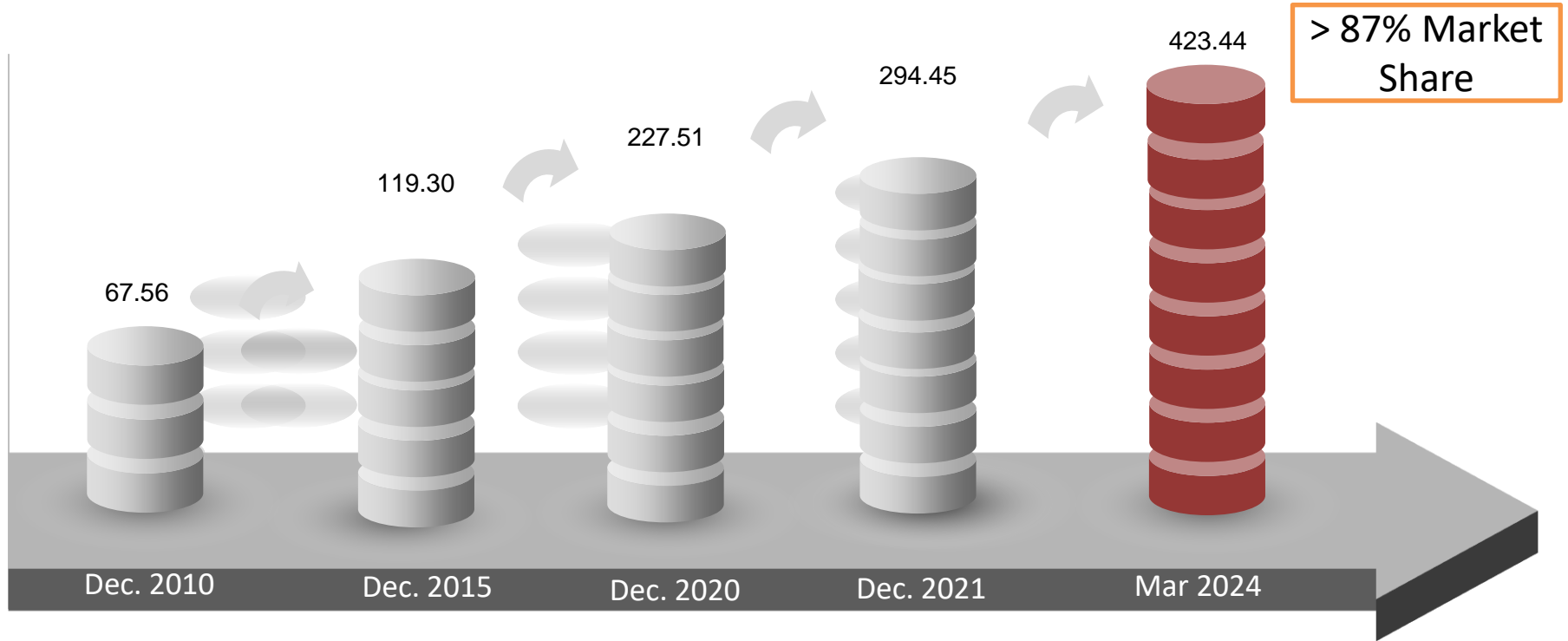


Demat accountholders present
in 99.27% of pincodes in India

Wide service network – all States
and UTs

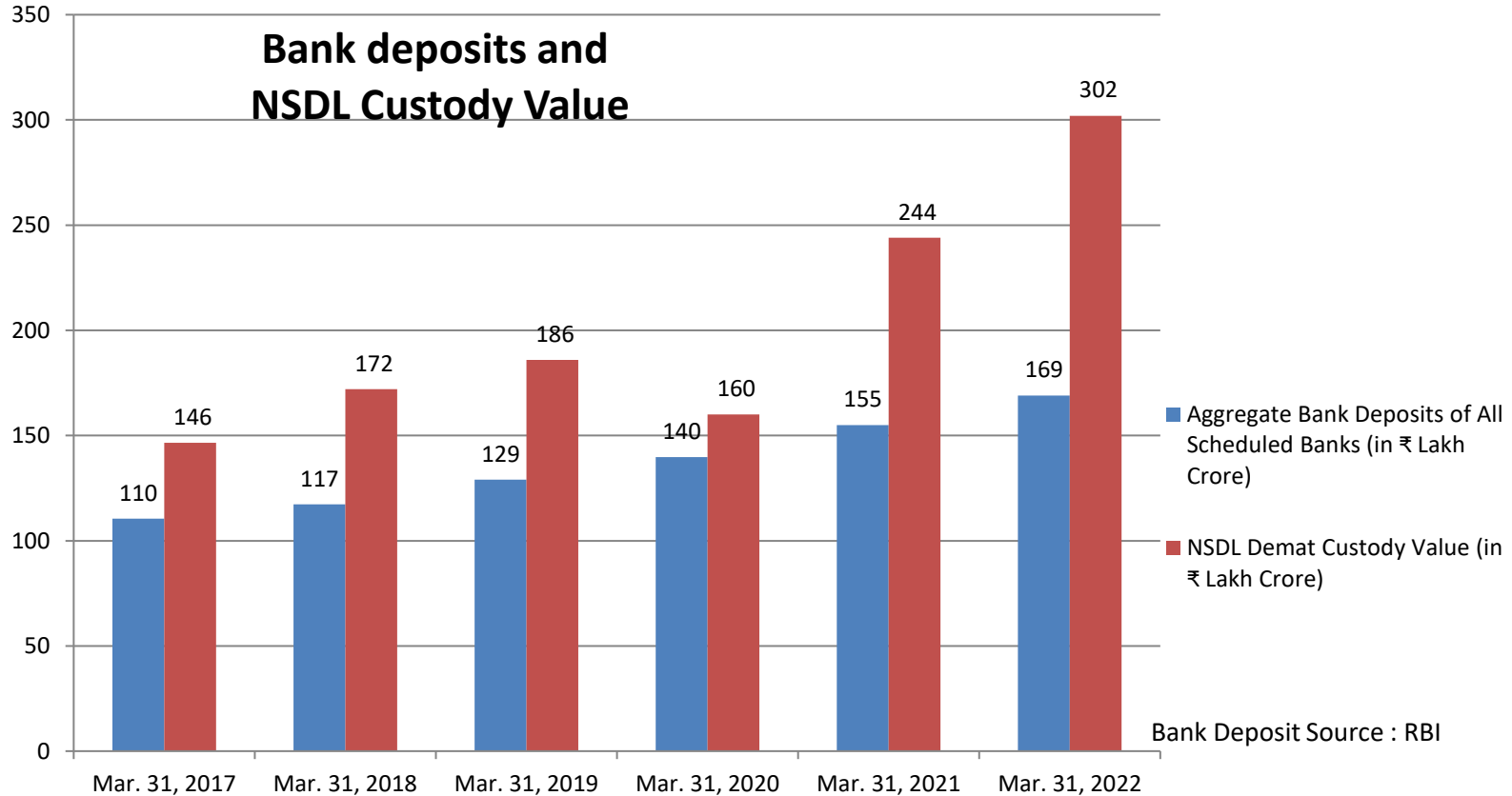
No. of Service Centres – 61,298

Growing Custody Value

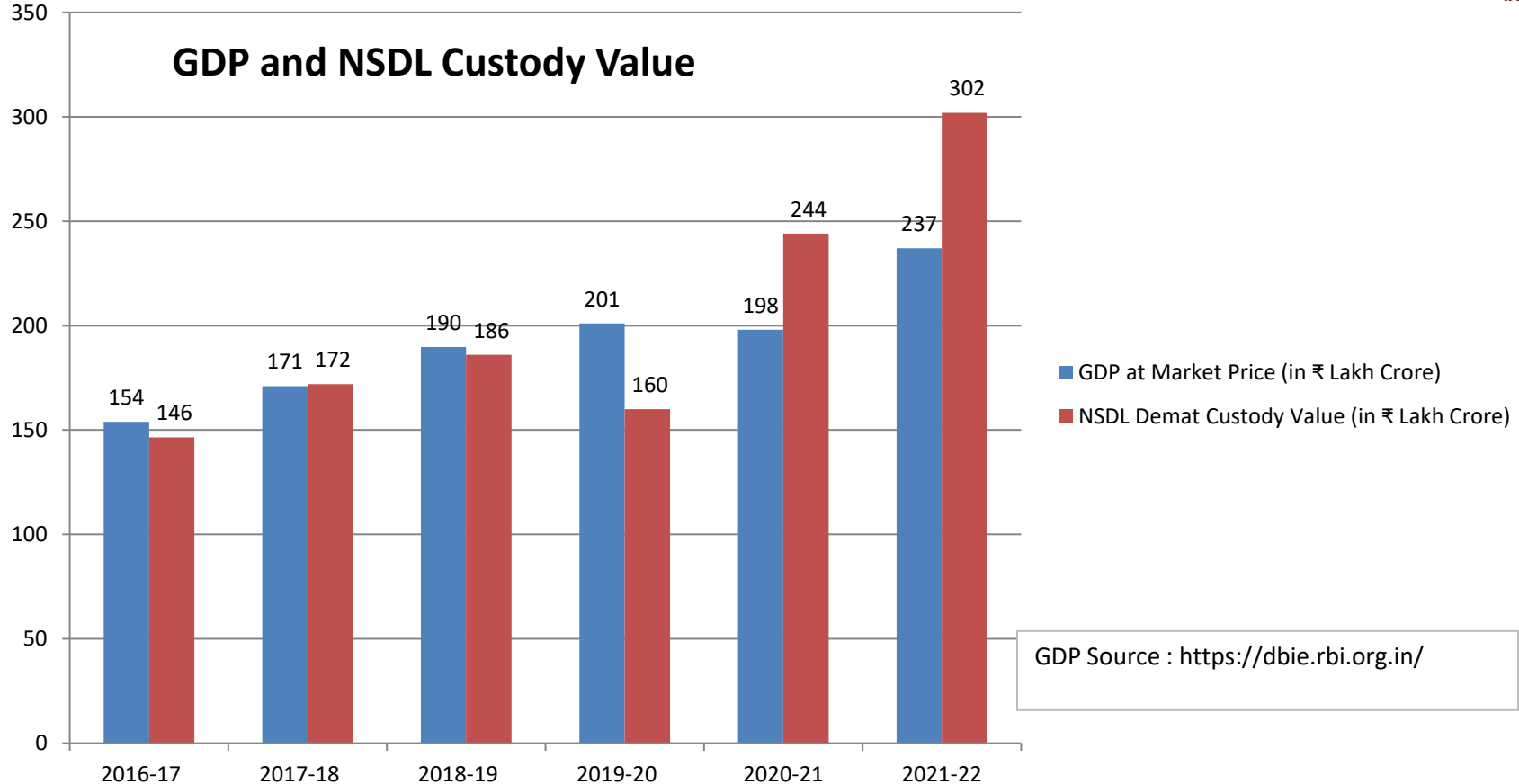


Total Value of All Assets Held In All NSDL Demat Accounts in ₹ Lakh Crore

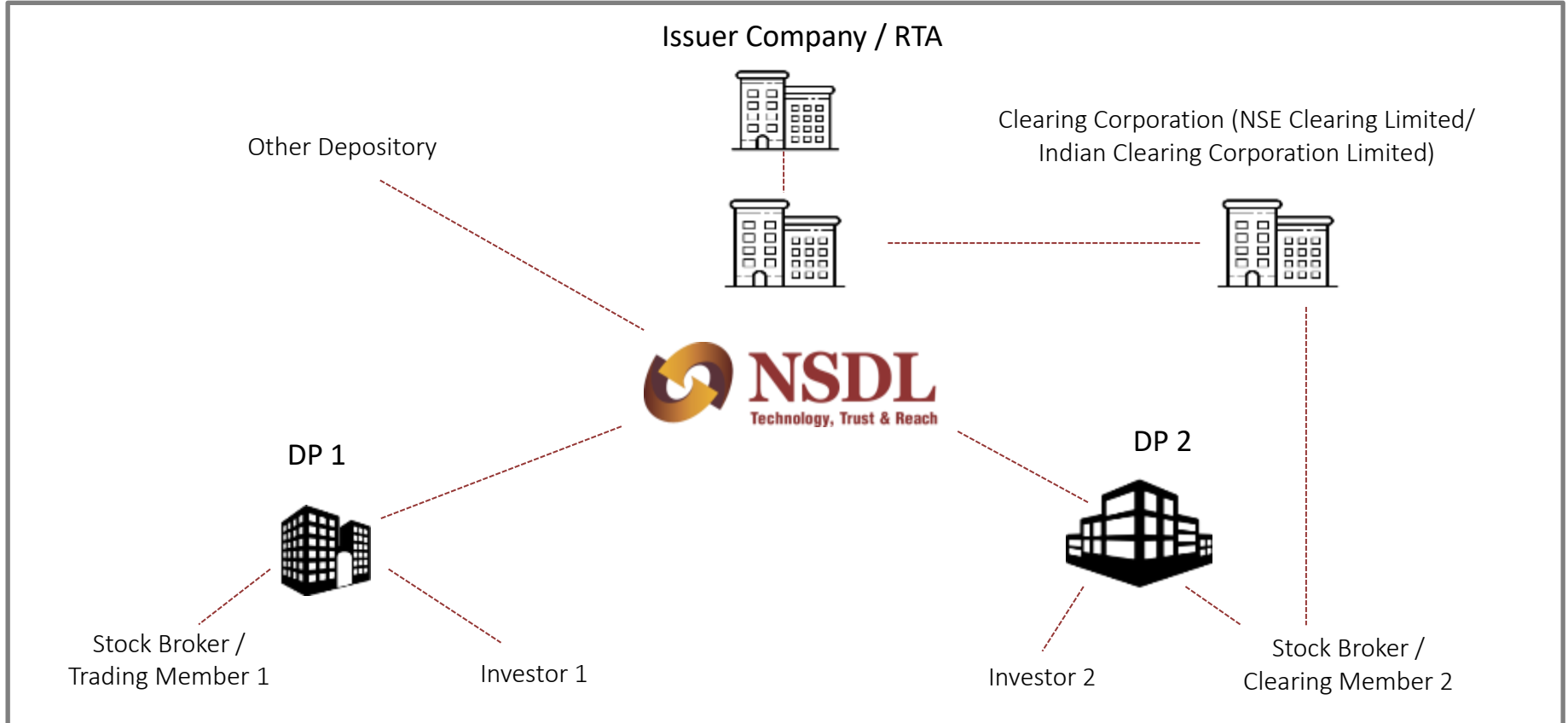
NSDL's Progress



NSDL's Progress



Indian Securities Market - Depository System



Services offered by Depository Participant



*Even unlisted shares can be dematerialized. **Transfer of securities held in physical form not allowed w. e. f. April 1, 2019. Re-lodgement of transfer deeds which were submitted prior to this, but were rejected or returned, was allowed till March 31, 2021. Shares pending for transfer with listed company / its RTA shall be issued only in demat.

Key points on Anti-Money Laundering

Legislative and Regulatory References

- Prevention of Money Laundering Act, 2002
- Prevention of Money Laundering (Rules), 2005
- SEBI Master Circular – October 15, 2019

What is Money Laundering (ML)?

- Money Laundering is “the process in which the proceeds of crime are converted and disguised as legitimate assets”

What is Anti-Money Laundering (AML)?

- Anti-Money Laundering is “the initiative to effectively prevent, detect, control and report ML activities to the authorities”

What are Suspicious Transactions?

Transactions (including attempted transactions), that may involve proceeds from a predicate offence, do not have any economic rationale, made in circumstances of unusual or unjustified complexity or gives rise to a reasonable ground of suspicion that it may involve financing of activities relating to terrorism

Key Authorities – Financial Intelligence Unit (FIU-IND), Ministry of Home Affairs and the Enforcement Directorate

Key points for all Investors

Individuals:

- Provide officially valid documents for proof of identity and address
- Furnish correct information on income, occupation, business, marital status, etc.
- Provide accurate financial information – salary or business income as applicable
- Inform about any changes to the above information
- Invest only using own sources of funds, not third party funds
- Do not fall prey to any gimmicks or schemes from anyone

Non – Individuals:

- Provide officially valid documents for proof of identity and address
- Furnish information about Beneficial Owner(s), where applicable
- Furnish all other related documents (AoA, MoA, Partnership deed, ASL, etc.)
- Provide correct information about nature and type of business
- Changes to the above information may be duly informed to DPs

Cooperate with DPs who may seek any additional information for due diligence

Be diligent and aware about various money laundering schemes

Contact your DP or broker in case of any doubts

Be a Prudent Investor



Keep record of documents signed, account statements, contract notes received and payments made. Save important emails and take periodic back up of data.

Change password of your online accounts frequently.
Never share your passwords, OTP, CVV and PIN with any one.
Never click on suspicious links received via SMS, email or social media platforms.

Read SMS, emails, letters, statements, bills sent by your broker, bank, DP and NSDL. These are sent to you to keep you updated.

Accept the DIS only if serial number is pre printed and Client ID is pre stamped or pre printed. Keep DIS in safe custody. Do not to leave the DIS “blank or signed” with the Depository Participants (DPs) or any other person/entity when not in use.

Be a Prudent Investor



Inform your DP about any change in your Personal Information such as address, bank account immediately.

Always mention your Mobile Number and email ID in account opening form and keep them updated.

NSDL publications and presentations are available in Hindi, English and other languages at www.nsdl.co.in → Education

Schedule of Awareness Programs, Registration, Feedback and Webinar Recordings are available at www.nsdl.co.in → Education

Be a Prudent Investor – Don'ts



Never deal with any unregistered or unauthorised market intermediary. Check on the SEBI's website that your stock broker / authorised person, mutual fund distributor, investment advisor are registered with SEBI.

Never invest with borrowed money. Avoid unnecessary loans and credits.

Be a Prudent Investor

**Nominate Karo - Surakshit, Samajhdaar,
aur Atmanirbhar Niveshak Bano !**



Hurry!! Last date is

June 30, 2024

NOMINATE YOUR LOVED ONES TODAY!!

Opting-in/Opting-out of nomination is mandatory in your Demat Account to avoid your account becoming inactive



SCAN TO
KNOW
MORE



SCAN TO
NOMINATE
ONLINE*

*Applicable to single demat account holder (Resident Individual) who have not opted-in/opted-out for Nomination in their demat account.

Be a Prudent Investor

Do Not Fall Prey To Stock Tips, Hot Picks etc. Circulated on Twitter, Instagram, WhatsApp, Telegram, Unsolicited SMS, YouTube Channels etc.



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing

Be a Prudent Investor

Do Not Invest In Any Ponzi Scheme, Unregistered Collective Investment Scheme or Any Other Schemes Promising Unrealistic Returns



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing

NSDL Newsletter for Investors

The Financial Kaleidoscope – Free monthly newsletter

**Invest in Women,
Accelerate progress**



www.nsdl.co.in



Education



Newsletter – The
Financial Kaleidoscope



<https://investor.sebi.gov.in>



Dive into Money Matters to grasp Personal Finance concepts.



Abundant Educational Resources, related to investments, including securities market



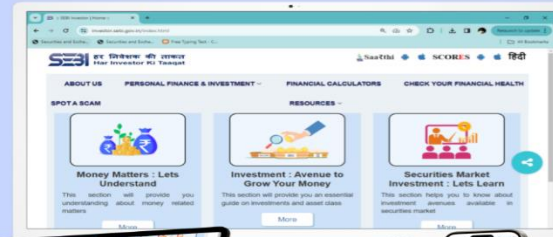
Access a range of Financial Tools and Calculators.



Evaluate your Financial Health with the easy check.

Join on a journey of informed decision-making and confident participation in the securities market.

UNLOCK THE **WEALTH OF KNOWLEDGE**
AT THE SEBI INVESTOR WEBSITE
Empower yourself in the world of investing



TO VISIT THE SEBI INVESTOR WEBSITE, SCAN THE QR CODE



Learn to Manage Your Money for Financial well-being. For more information, please visit SEBI's Investor website <https://investor.sebi.gov.in>

SEBI's Mobile App for Investor Education



SAARTHI

SEBI SCORES Education

E Everyone

 Add to wishlist



If You are holding Securities in Paper form

1. Provide PAN, KYC information and Nomination to RTA / Company for all joint holders.
2. Get PAN and Aadhaar linked for all joint holders.
3. Folio may be frozen if not complied.
4. Electronic interface provided by company / RTA for various service requests like issuance of duplicate shares, transmission, change in name etc.
5. SEBI has prescribed 'Simplified and Standard Norms' for processing of various service requests [Form ISR – 1 and other forms available on website of listed company / RTA].

Grievances Redressal

1. Read Investor Charter at www.nsdl.co.in → Education
2. Lodge your complaint with SEBI at <https://scores.sebi.gov.in/> or SEBI Mobile App – SCORES.
3. For filing dispute for resolution by conciliation and arbitration, visit SEBI's Securities Market Approach for Resolution Through ODR (SMART ODR) Portal <https://smartodr.in/login>
4. SEBI Toll free helpline - 18002667575 / 1800227575
5. NSDL helpline - 022-48867000
6. Online submission of Grievances at www.nsdl.co.in → Query related to Demat
7. NSDL email for grievance - relations@nsdl.com
8. NSDL email for other information - info@nsdl.com





Be alert.

Never click on unknown links... you may risk exposing your bank account to frauds.

Money Kumar

Beware of unknown links:

- Delete SMS/emails with unknown links immediately
- Verify details of website if it requests financial details
- Do not share personal or bank information on social media



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



Issued in public interest by भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA www.rbi.org.in

DigiSaathi, 24/7 helpline for automated responses on information related to digital payment options. Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info



Be cautious while scanning QR codes to make payments. Be alert of online loan apps and quick-win lottery schemes.

Beware of links offering:

- Unauthorised Digital Lending Apps
- Fake Lottery Schemes



- While making payments using QR code confirm the name on the screen
- Never download Lending Apps from unknown sources
- Do not share personal or bank information with unknown entities



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



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DigiSaathi, 24/7 helpline for automated responses on information related to digital payment options. Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info



Be smart. Verify the credentials of unknown callers, investment portal sites and requests for urgent help for money through social media.

Prasidh Krishna
Indian Cricketer, RBI Employee



Beware of fraudsters:

- Do not answer calls/emails from unknown persons demanding money
- Check details of websites/Apps offering high returns
- Verify requests for urgent help for money



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



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DigiSaathi, 24/7 helpline for automated responses on information related to digital payment options. Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info

Transfers, Pledge and Margin Pledge of Securities

Transfer of Securities in Demat Form

1. As per Depositories Act, securities held in demat form are fungible and freely transferable.
2. This means shares etc. held in demat form can be transferred from one person to another or from one demat account to another demat account freely except when they are under pledge, lock-in, etc.
3. Types of Transfers -
 - a) Market Transfer
 - b) Off Market Transfer
 - c) Inter-depository Transfer

Transfer of Securities in Demat Form

1. Off Market transfers are transfers between two beneficial owners' demat account. None of the parties to transfer (Source and Target accounts) are Clearing Member.

Examples – Transfer by father to his child's account as gift.

2. Market Transfer means transfer between accounts held by beneficial owner and Clearing Member (Source and / or Target is a CM account).

Examples – Transfers for the purpose of pay in and payout.

3. Inter Depository Transfers


- i. Transfer of securities where source and target accounts are in two different depositories.
- ii. For inter depository transfers, ISIN should be active in both depositories.
- iii. These instructions are exchanged online between two depositories.

How to Transfer Securities in Demat Form?

1. Transfer is possible only upon an instruction from the demat account holder.
2. Instruction can be given by the demat account holder himself or by his Power of Attorney holder.
3. Instruction can be given in paper form (through a Delivery Instruction Slip) or electronically through SPEED-e.
4. Off Market instructions are permitted through DIS signed by Client himself or through electronic mode after OTP validation only.
5. SPEED-e is a powerful alternate to Power of Attorney given in favour of stock brokers.

Format of Delivery Instruction Slip

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 36 – COMBINED DELIVERY INSTRUCTIONS BY CLIENT										 NSDL Technology, Trust & Reach			
		Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off-market trades and Inter Depository Instructions, please mention reason code from the list given at reverse side of cover page (5) Please write correct ISIN and Quantity (both in figures and words).													
I/ We hereby request you to debit my / our account as per following details:												Pre-printed			
DP ID	Pre -printed	Client ID	Pre-printed/ Pre-stamped						Serial No.						
<i>(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)</i>															
<input type="checkbox"/> For Market Trades (Receiver Details)				<input type="checkbox"/> For Off - Market Trades (Receiver Details)				<input type="checkbox"/> Inter Depository Instructions (Receiver Details)							
CM-BP-ID	IN							DP-ID							
CM Name							Client ID								
Market Type							DP Name								
Settlement No.							Reason Code	Reason / Purpose	Consideration (in Rs.)						
							Refer instruction no. 4	Specify for reason code 99 (others)	Mandatory for reason code 1 (off-market sale)						
							Settlement details	<i>For Inter Depository Instructions</i>							
Sr. No.	ISIN	Security Name					Quantity (in figures)	Quantity (in words)				Instruction No. (to be filled by DP)			
1	IN														
2	IN														
3	IN														
4	IN														
No. (count) of ISINs to be transferred		Phone No.													
1. _____		2. _____							3. _____						
		Authorised Signatory (ies)													
		Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.													
Date and Time of Receipt and DP Stamp with Signature		To be filled by DP													
		Maker		Checker		Additional Checker (if applicable)		Remarks (For High value transactions/Dormant accounts if any)							

Ensure to fill up the DIS completely -

1. Source and target account details
 2. Market type and settlement number (for market transfers only)
 3. ISIN(s) and quantity
 4. Reason / purpose and Consideration (for off market transfers only)
 5. Execution date
 6. DIS must be signed by all the joint holders (or by Power of Attorney holder)
- DP should issue acknowledgment for DIS
- ❖ With Date and Time stamp
 - ❖ With Late stamp, if submitted beyond deadline (after 4 pm on T+1 day)

Check Your DIS

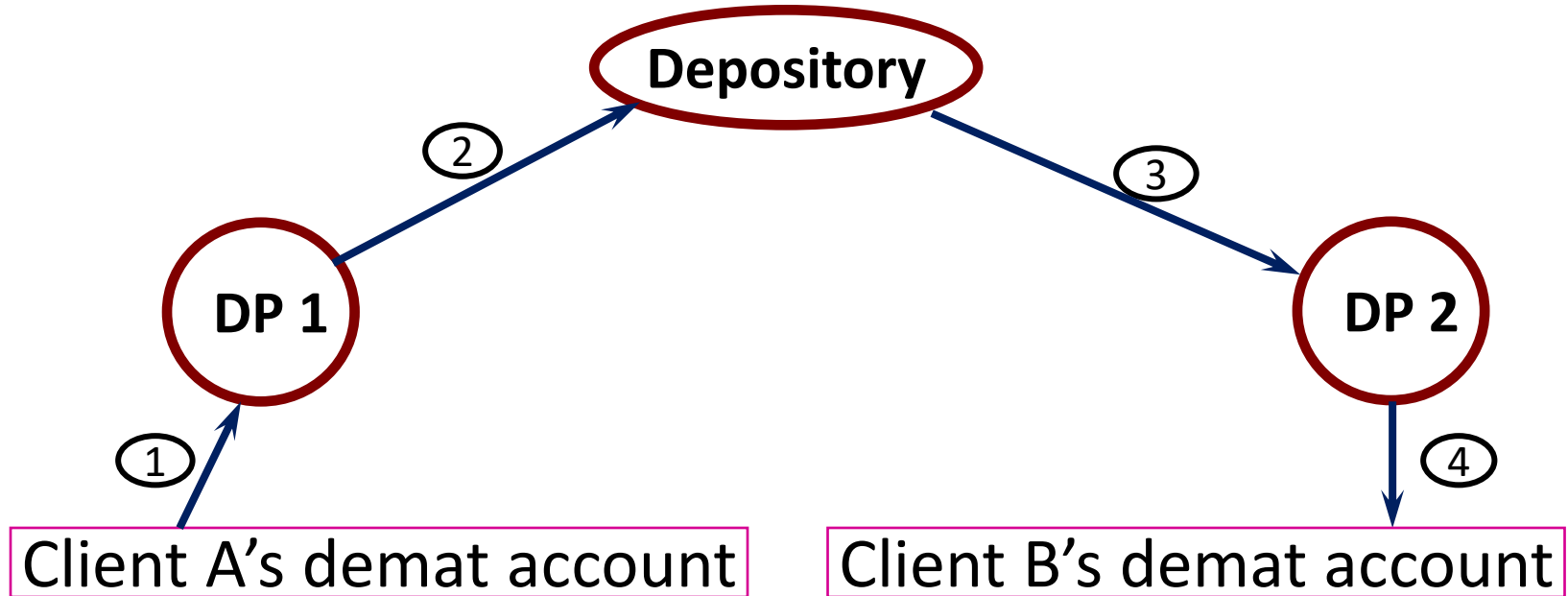
1. Issue of Delivery Instruction book
 - i. Pre-printed serial no.
 - ii. Pre-stamped Client ID

2. Re-issue of Delivery Instruction book
 - Submit signed Requisition Form to DP for another Delivery Instruction book

3. Mapping of client ID with DIS number will be recorded in depository system at the time of issuance by DP

4. Verification of client ID – DIS number mapping at the time of entering DIS in Depository system will happen.

Settlement of Off Market Transactions



Funds movement between clients happen outside the depository system

Off Market Transaction

	Source	Target
Account	Client	Client
Instruction	Delivery instruction by Client	Standing Instruction or Receipt-in instruction
Movement	One client's account to another client's account	
Remarks	Additional verification if value > ₹ 5 Lakh	

1. Off market instructions wait for adequate balance in the source account till the end of the execution date.
2. Stamp Duty as applicable must be paid before the execution of instruction in the depository system.

What is Power of Attorney?



1. It is a legal instrument to delegate authority to other person to do something what he/she can do himself / herself. PoA is generally used for the purpose of convenience.
2. Can be given to any person or entity for specified or general purposes. Donee can act on behalf of the donor as specified in the PoA document.
3. Can be revoked by the donor anytime, as per method specified in it.
4. In capital market, PoA is primarily given by investors to their stock brokers to facilitate the process of settlement of trades.

Need of PoA in favour of Stock Broker

1. When you sell, you need to give shares to your broker so that he / she can deliver the same to clearing corporation.
2. As the shares are held in your demat account, you need to arrange to transfer shares from your demat account to your broker's demat account.
3. This transfer can be done in multiple ways –
 - i. Submission of Physical DIS by account holder to DP
 - ii. Submission of Physical DIS by broker as holder of Power of Attorney to DP
 - iii. Submission of electronic instruction by account holder through NSDL SPEED-e
 - iv. Submission of electronic instruction by broker as holder of Power of Attorney through NSDL SPICE
 - v. Submission of instruction by account holder to DP using e-DIS

PoA for Demat Account - SEBI's Guidelines

The POA executed by client in favour of stock broker should be limited to the following:

Related to Securities

1. Transfer of securities held in demat account(s) of the client(s) towards stock exchange related margin / delivery obligations arising out of trades executed by the Client(s) on the stock exchange through the same stock broker.
2. For pledging / re-pledging of securities in favour of TM / CM for margin purposes.
3. To apply for (or redemption of) various products like Mutual Funds, Public Issues, rights, offer of shares, tendering shares in open offers etc. pursuant to the instructions of the Client(s).

PoA for Demat Account - SEBI's Guidelines

The POA executed by client in favour of stock broker should be limited to the following:

Related to Funds

1. For recovering any outstanding amount due from the client(s) arising out of clients trading activities on the stock exchanges through the same stock broker.
2. For meeting the settlement obligations of the client(s)/ margin requirements of the client(s) in connection with the trades executed by the clients on the stock exchange through the same stock broker.
3. For meeting obligations arising out of the client subscribing to such other products/facilities/services through the stock broker like Mutual Funds, Public Issues etc.
4. Towards monies/fees/charges, etc. due to the stock broker payable by virtue of the client using/subscribing to any of the facilities/services availed by the Client at his/her instance.

PoA for Demat Account - SEBI's Guidelines



1. Giving PoA in respect of demat account is optional. Except where client wishes to avail internet based trading facility, giving PoA is at the choice of the demat account holder(s).
2. No stock broker or depository participant shall deny services to the client if the client refuses to execute a PoA in their favour.
3. PoA should identify the client's demat account(s) and bank account(s) of the client(s) that the stock broker is entitled to operate.
4. PoA should provide the list of clients' & brokers' bank accounts and demat accounts where funds and securities can be moved. Such bank and demat accounts should be accounts of related party only.
5. PoA should be executed in the name of the concerned SEBI registered entity only and not in the name of any employee or representative of the Stock Broker/Depository Participant.

PoA for Demat Account - SEBI's Guidelines



6. PoA should be executed and stamped as per the rules / law prevailing in the place where the PoA is executed or the place where the PoA is kept as a record, as applicable.
7. PoA should contain a clause by which the stock broker would return to the client(s), the securities or fund that may have been received by it erroneously or those securities or fund that it was not entitled to receive from the client(s).
8. PoA should be revocable at any time, without notice.
9. PoA should be executed by all the joint holders (in case of a demat account held jointly).
10. PoA should authorize the stock broker to send consolidated summary of Client's scrip-wise buy and sell positions taken with average rates to the client by way of SMS / email on a daily basis.

PoA for Demat Account - SEBI's Guidelines



The POA executed by client in favour of stock broker should NOT facilitate stock broker to do the following:

1. Transfer of securities for off market trades.
2. Transfer of funds from the bank account(s) of the Clients for trades executed by the clients through another stock broker.
3. Open a broking or trading account / demat account.
4. Execute trades without the client(s) consent.

PoA for Demat Account - SEBI's Guidelines



The POA executed by client in favour of stock broker should NOT facilitate stock broker to do the following:

5. Prohibit issue of Delivery Instruction Slip to client.
6. Prohibit client(s) from operating the demat account.
7. Merge balances (dues) under various accounts to nullify debit in any other account.
8. Open an email ID/ email account on behalf of the client(s) for receiving statement of transactions, bills, contract notes etc. from stock broker / Depository Participant.
9. Renounce liability for any loss or claim arising on account of error on part of stock broker
10. PoA should not provide the authority to transfer the rights in favour of any assignee of the Stock Broker/Depository Participant.

Safeguards for Demat Account with PoA to Broker



1. Satisfy yourself that you really need to give PoA. If you really need to give, ensure that it is drafted as per SEBI's guidelines.
2. Obtain a duplicate / certified true copy of the PoA after execution.
3. Register your email ID and mobile number in your bank account, trading account and demat account. Keep them updated always.
4. Check SMS and email alerts sent by bank, stock broker, stock exchange and depository daily.
5. Revoke the PoA if you do not need it.

Safeguards for Demat Account with PoA to Broker

6. Check your Consolidated Account Statement (CAS), Contract Note and Trading Account Ledger regularly.
7. Contact broker / exchange / depository if you do not get the above or find any error therein.
8. Consider splitting your portfolio in more than one demat accounts. Keep your long term investments in a separate demat account and do not link the PoA to this account.
9. Consider using Freeze facility in your demat account. You may opt for ISIN / Quantity level freeze as per your needs.
10. In case of merger/ demerger of the Stock Broker/DP with another entity, you should get one month prior intimation about the corporate restructuring. You may decide to continue or discontinue with the broker.



SPEED-e – A Powerful Alternate to DIS and PoA



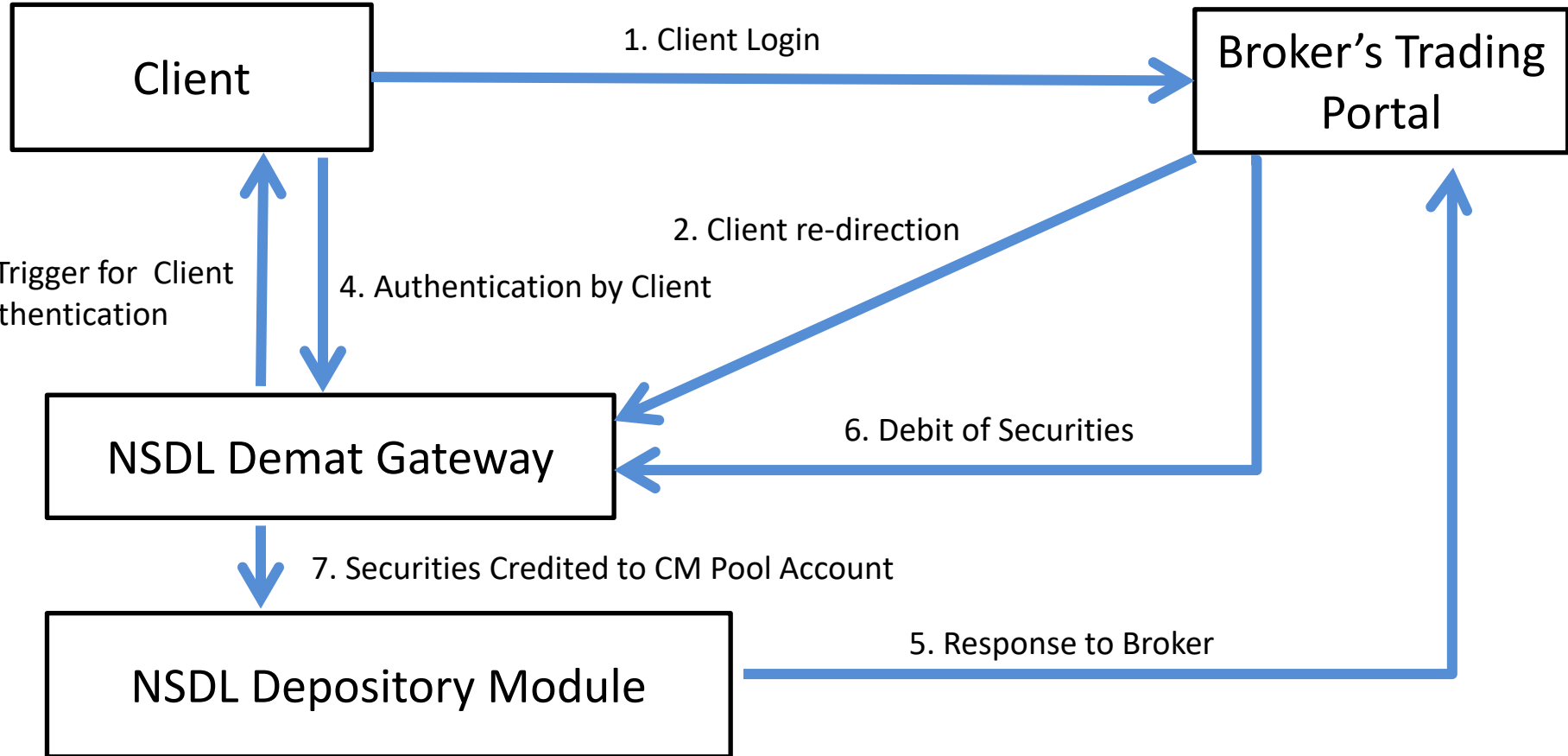
1. SPEED-e is a powerful and effective alternate to paper based DIS and PoA.
2. Its an internet based facility which enables demat account holders to submit instruction to DP electronically.
3. Most NSDL DPs offer SPEED-e facility to their demat account holders (list available on NSDL website).
4. Clients having singly held demat account can register for SPEED-e facility online at NSDL website. Joint holders can submit registration request in prescriber format to their DP in paper form.
5. SPEED-e can be accessed using login ID and password or electronic token. e-token based access provides more functional options to users.

NSDL e-DIS – Demat Gateway

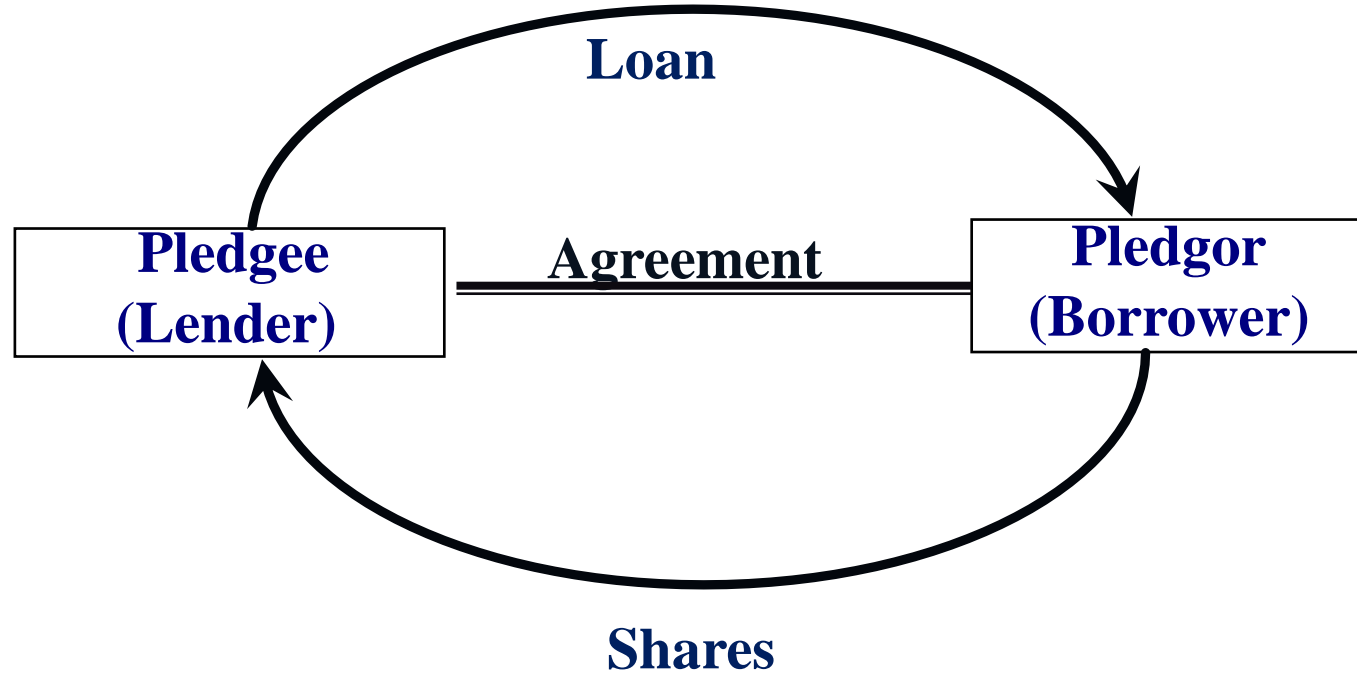
Salient features of e-DIS -

1. e-DIS facility can be used by any NSDL demat account holder.
2. No need to give POA to stock broker.
3. Secured communication between broker's portal and NSDL system.
4. Securities can be moved to broker's pool account only towards obligation for sell transaction.
5. Off Market transactions are not permitted through e-DIS.

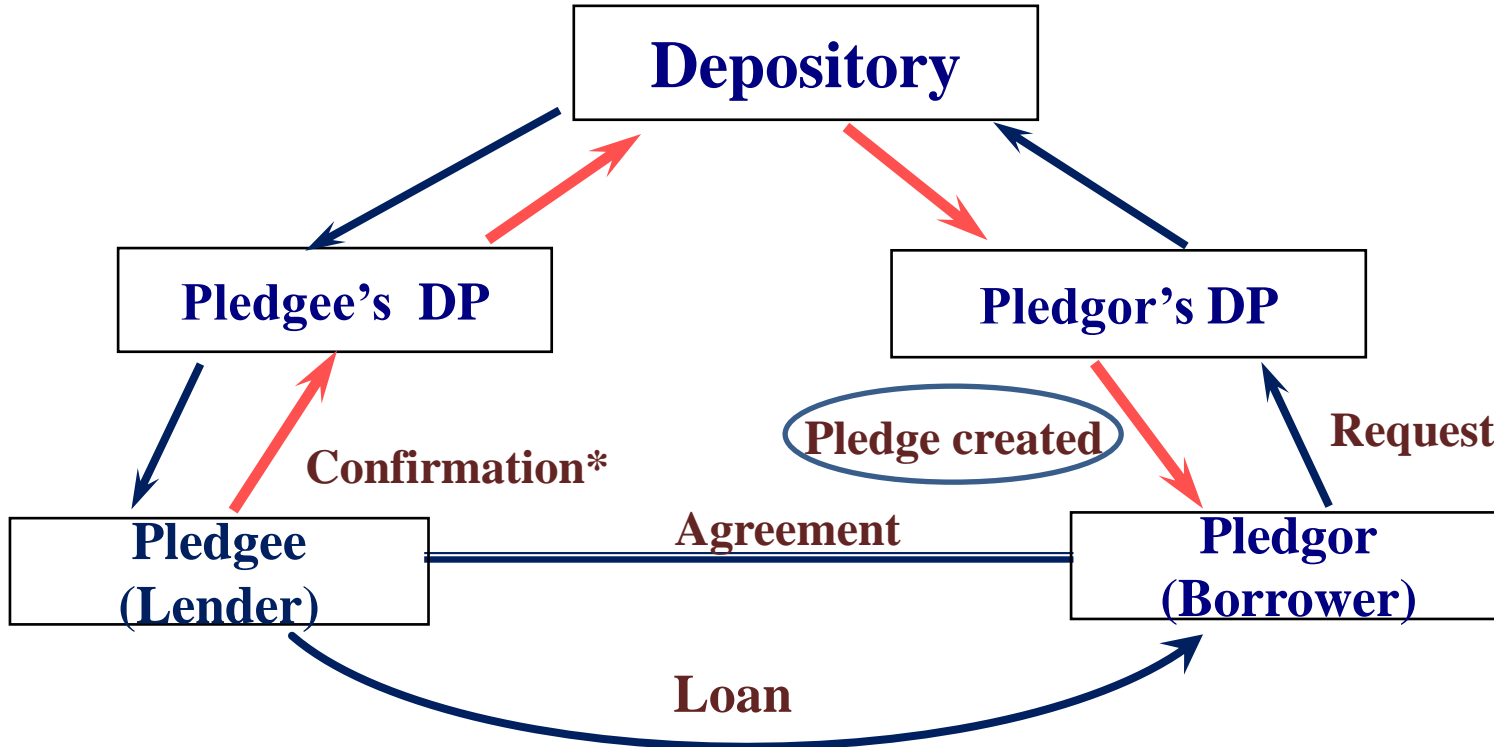
e-DIS Process



Pledge of Physical Shares

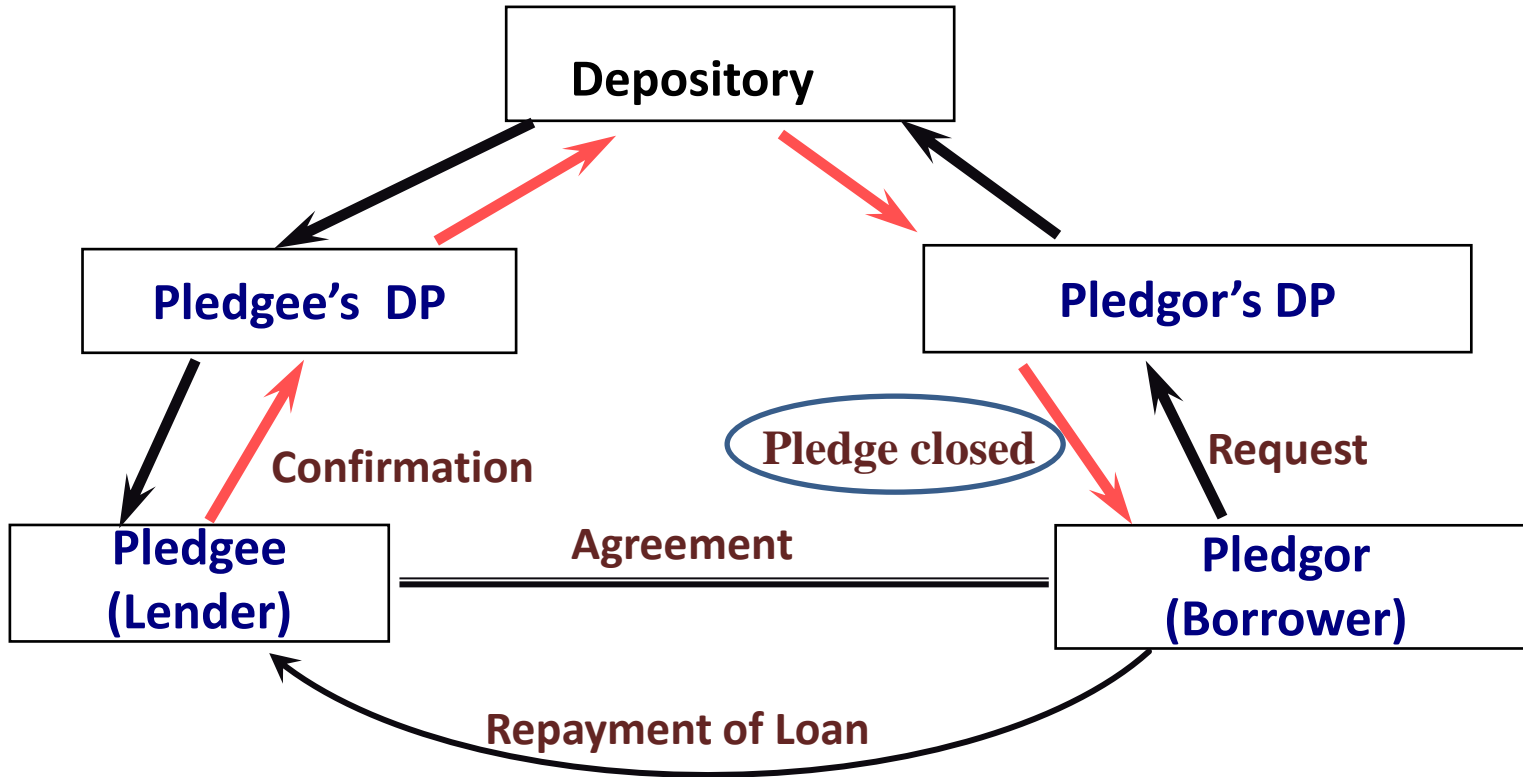


Pledge Creation and Confirmation

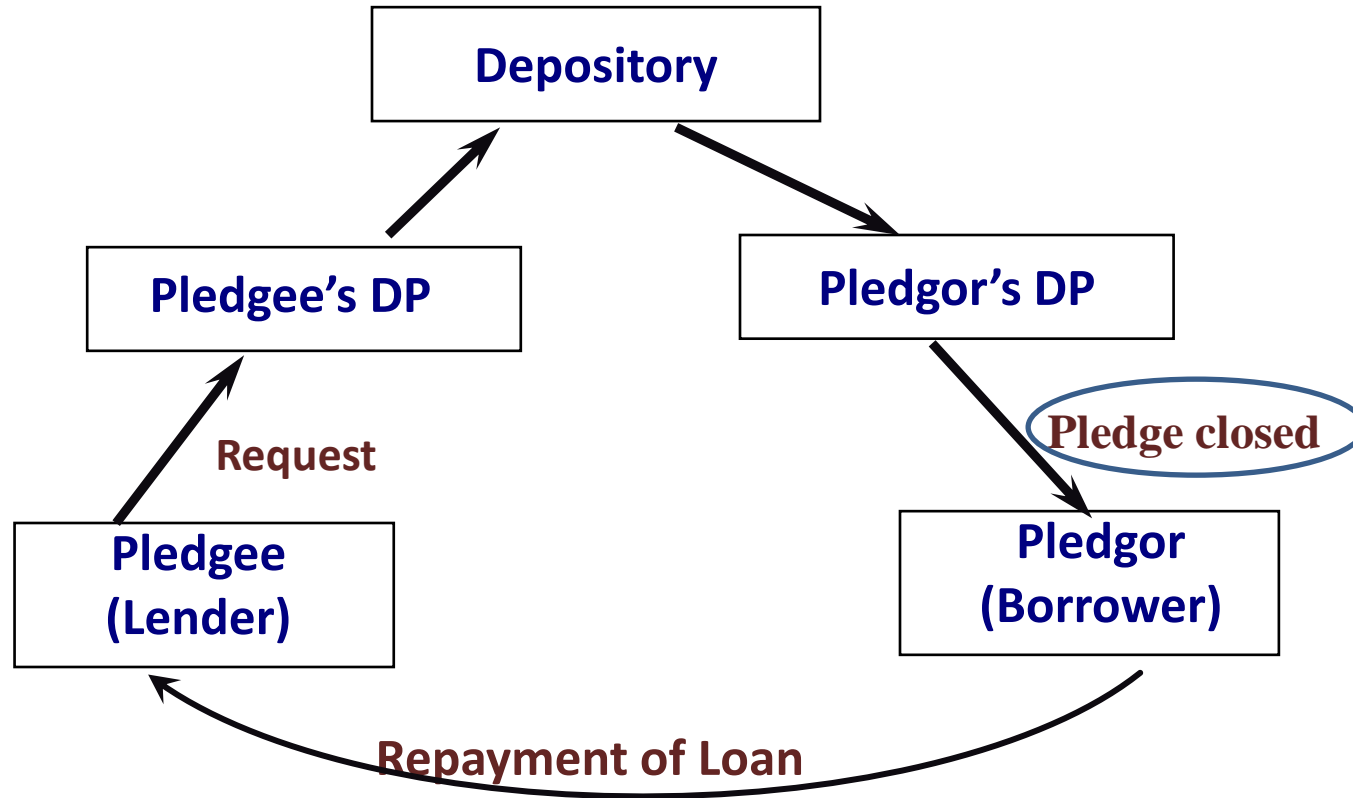


*** Not needed if Pledge Standing Instruction is enabled**

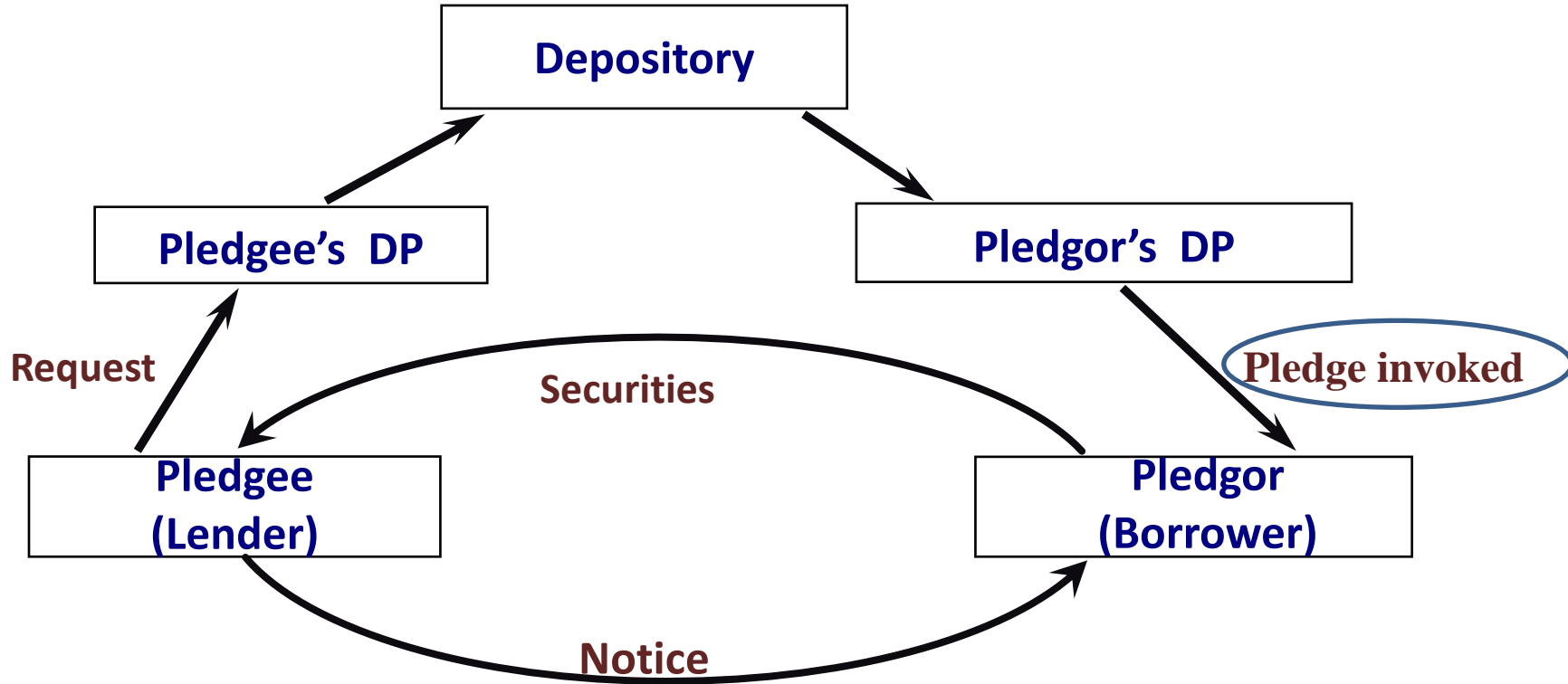
Pledge Closure (Normal)



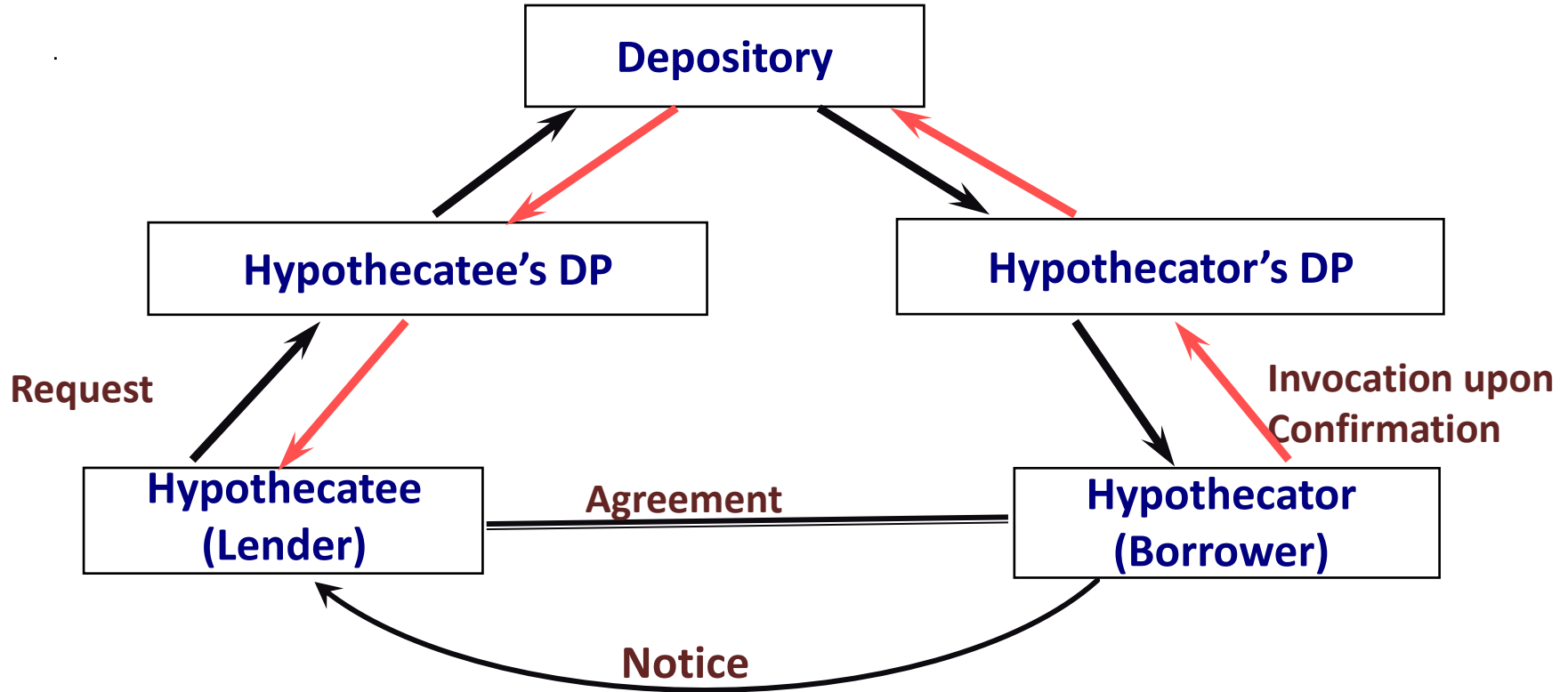
Pledge Closure (Unilateral)



Pledge Invocation



Hypothecation Invocation



Pledge - Points to Remember

1. Pledge instruction can be given in two ways –
 - i. By submission of Pledge instruction form in physical form
 - ii. By submission of Pledge instruction in electronic form through SPEED-e (by e-token users)
2. Pledgor and Pledgee both should have demat account with same / different DPs of same depository
3. Commercial arrangement like interest rate, amount of loan etc. are outside the system. Agreement should have account details of both parties.
4. Multiple pledge instructions can be executed on the basis of single agreement.
5. Lock-in securities may be pledged but invocation permitted only after lock-in release.
6. Partial closure and invocation allowed.

Pledge - Points to Remember

7. Pledged shares are blocked in pledgor's account in favour of pledgee till closure / invocation.
8. Holdings statement of pledgor will reflect pledged balances.
9. Corporate action benefits belong to pledgor.
10. On account of Automatic Corporate Action (e. g. Bonus, Split) new shares are credited in pledgor's account as pledged shares.
11. Pledge reports for pledgor and pledgee from depository system.
12. Substitution of securities is possible as per mutual agreement of pledgor and pledgee during the pledge period.

Margin Pledge



1. As per SEBI's guidelines, w.e.f. August 1, 2020 Trading Members and Clearing Members (stock brokers) can accept margin payment in form of securities from their clients, only through a Pledge created in depository system.
2. Earlier, either Title transfer collateral arrangements was used for margin requirement or mere holding of Power of Attorney in respect of client's demat account was considered as sufficient for collection of margin obligations from that client.

Margin Pledge



3. W.e.f. August 1, 2020, collaterals in form of securities can be accepted by stock brokers in form of margin pledge created on the securities held in client's demat account.
4. Instruction to create margin pledge on securities can be given by client or by the person holding the Power of Attorney, in physical form or electronically through SPEED-e.
5. Such margin pledge can be created in favour of a specially designated demat account of the stock broker (opened as TM – Client Securities Margin Pledge Account or TM / CM – Client Securities Margin Pledge Account).

How to Submit Margin Pledge Instruction?

There are three ways to submit Margin Pledge Instruction –

1. You may fill up, sign and submit Form 43 – Margin Pledge Form in paper form to your DP.
2. You may submit Margin Pledge Instruction electronically using NSDL SPEED-e platform, if you are a registered user (password user or e-token user).
 - ✓ If you wish to register for SPEED-e, visit www.eservices.nsdl.com and click on 'New user registration' and then select SPEED-e.
 - Once created, margin pledge instruction will wait for pledgee's confirmation to become effective. If Pledgee has opted for automatic confirmation of pledge instruction, then margin pledge instruction created as above will become effective immediately.
 - **Take care to**
 - ✓ Create Margin Pledge for securities which are approved by your stock broker for margin purpose.
 - ✓ Create Margin Pledge for quantity according to value of the security and haircut applicable.

How to Submit Margin Pledge Instruction?

3. Your stock broker (Trading Member) may initiate Margin Pledge instruction on your behalf if you have given a Power of Attorney (POA) in his favour.

- In this case, you will need to confirm the Margin Pledge instruction using OTP received on your registered mobile number or registered email ID.

Or

- you can login to SPEED-e and confirm the instruction available.

Margin Pledge Confirmation

Confirm Pledge

Verify the information displayed and if satisfied, confirm the instruction to create pledge with the OTP received.

Receive OTP

After successful PAN authentication, One Time Password (OTP) will be sent to client through SMS and email.



Receive Confirmation Link

On receipt of margin pledge instruction, NSDL shall send a link to 'Confirm Margin Pledge Transaction' through SMS and email to Client.

Click the Link

Client needs to Click the link received – which will lead to a NSDL web page.

Authenticate With PAN

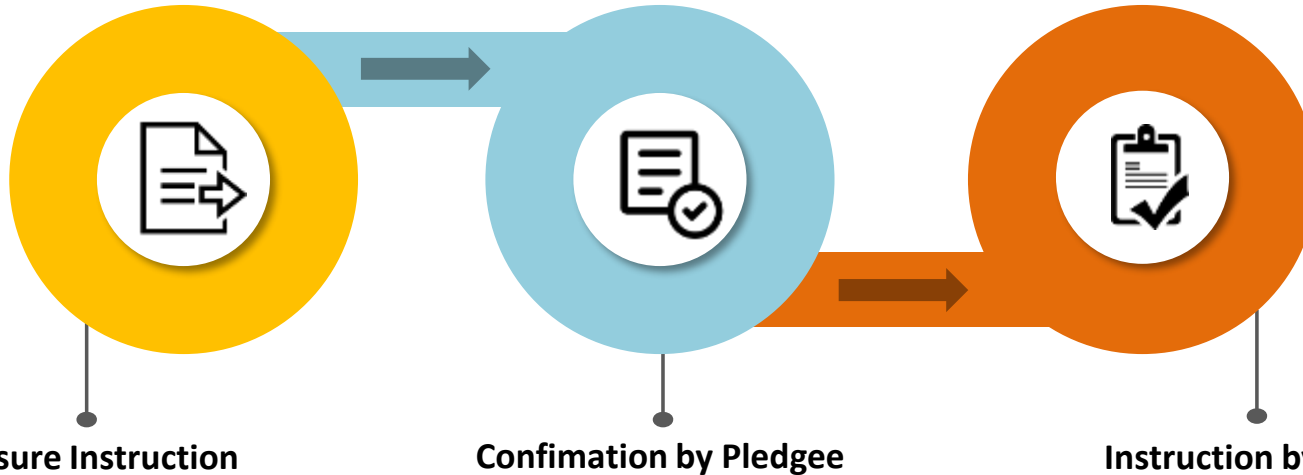
Client should authenticate the instruction with PAN.

Margin Re-Pledge



1. A Trading Member (stock broker) can re-pledge the securities margin pledged by its clients in his / her account, in favour of Clearing Member (CM). A CM can re-pledge the same securities in favour of Clearing Corporation (CC) in respect of approved securities. Re-pledge is possible with one time consent given by the client for underlying securities.
2. Details of all pledge transactions and subsequent re-pledge transactions shall be displayed in the client's demat account statement.

Closure of Margin Pledge / Re-pledge



Submit Closure Instruction

Client can submit instruction for Closure of Margin Pledge existing in his / her demat account in physical form or electronically through SPEED-e

Confirmation by Pledgee

Pledge will be closed when it is confirmed by the concerned stock broker (pledgee TM)

Instruction by Broker

Alternatively, stock broker can give an instruction for unilateral closure of the pledge

If the securities have been re-pledged by TM in favour of CM (or by CM in favour of CC), then margin pledge closure will need to be confirmed by concerned CM (or by CC). Alternatively, CM or CC may give an instruction for unilateral closure of the re-pledge.

Invocation of Margin Pledge / Re-pledge



TM SUBMITS INSTRUCTION

Stock Broker (TM) can submit instruction for Invocation of Pledge existing in its favour in physical form or electronically through SPEED-e facility, in case of default in payment by client.



SECURITIES DEBIT

Upon successful execution of Pledge Invocation instruction in NSDL system, securities will be debited from the client's demat account (Pledgor's account) and credited to TM's demat account (Pledgee's account).



IF RE-PLEDGED BY TM

If the securities have been re-pledged by TM in favour of CM (and by CM to CC), then Invocation initiated by TM will be effective when pledge is released by the concerned CM (and by concerned CC).



VALIDATION

Validation of the margin pledge instruction will be done with the UCC linked in the demat account of the Client.

If there is default by TM / CM then the re-pledged securities of clients who do not have any open position with CM / CC, shall not be available to CM / CC for invocation to meet settlement default of the TM / CM.

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