Circular No.: NSDL/POLICY/2014/0092 Date: August 25, 2014

Subject: Standardisation and Monitoring of Delivery Instruction Slips (DIS) and Amendment to Business Rules.

Attention of Participants is invited to Circular Nos. NSDL/POLICY/2014/0004 dated January 8, 2014 and NSDL/POLICY/2014/0080 dated July 4, 2014 regarding standardization, monitoring and scanning of DIS which shall be effective from October 1, 2014.

In this context, the guidelines in respect of scanning of DIS were communicated vide Circular No. NSDL/POLICY/2014/0085 dated August 5, 2014. In regard to standardization and monitoring of DIS, all Participants are requested to note the following and ensure compliance:

A) Standardisation of DIS:

1. The formats for DIS to be submitted by the Clients and the clearing members to the Participants have been revised and the consequent amendments to Business Rules are given at Annexure A. New formats *(copies enclosed as Annexure B*) are prescribed in respect of the following types of instructions:

    i. FORM 12 : Delivery Instruction by Client
    ii. FORM 13 : Delivery Instructions by Power of Attorney Holder on behalf of Clients
    iii. FORM 15 : Inter-Depository Delivery Instructions
    iv. FORM 16 : Inter-Depository Delivery Instructions by Power of Attorney Holder
    v. FORM 18 : Delivery-Out Instructions for Pay-in by Clearing Member
    vi. FORM 19 : Inter-Settlement Instructions by Clearing Member
    vii. FORM 20 : Pool to Pool Instructions by Clearing Member
    viii. FORM 22 : Delivery Instructions upon Pay-out by Clearing Member

2. FORM 13 and FORM 16 must be issued only to Power of Attorney (POA) holders provided the POA holder is registered with SEBI as stock broker or custodian or portfolio manager. FORM 13 and FORM 16 issued to POA holder must contain pre-printed or pre-stamped POA ID which is generated from the DPM and is mapped to the demat account of the Client in DPM. Accordingly, Participants must create POA ID for all such POA holders in DPM and map the same to the respective demat account(s), if not done so already.

3. Illustrative formats of the Annexure (*copies enclosed as Annexure C*) are designed for the instructions of the Clients, Clearing Members or POA holder which are accepted alongwith computer print-outs as per the stipulated procedure (Ref. point no. 16 of Master Circular on Delivery Instruction Slips, Version 1.3, dated July 26, 2013). Participants may continue to accept Annexures in any other format provided it meets with the stipulated procedure and the size of Annexure is not more than A4 size.

4. The same DIS shall not be used for giving both **market and off-market** instructions and shall not be used for transactions with **multiple** execution dates.

5. On the inside front cover of the DIS booklet, the information as per the format specified at Annexure D must be printed and the inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as specified by SEBI (*Ref.: Circular No.* NSDL/POLICY/2012/0100 dated September 25, 2012).

6. If a Participant desires, DIS personalized by printing the name(s) of the Client (*or POA holder*) may be issued.

7. DIS must meet the following specifications:

    i. The printable area of DIS should be 13 x 19 cm (Length x Breadth) excluding space for margin.
    ii. Font must be Arial Narrow with font size 7.
    iii. DIS must have a pre-printed unique serial number with the maximum length of 12 characters consisting 2 alphabets (not mandatory) followed by 10 numeric digits. The numeric part of DIS serial number must contain minimum 8 digits. This means serial number should not be less than 10000000.
    iv. DIS serial number should be unique within a DP ID.
    v. All DIS must bear the pre-printed DIS serial number, DP ID, and a pre-printed/ pre-stamped Client ID (or POA ID for FORM 13 and FORM 16).

8. To facilitate printing of the DIS, the '.cdr' printable files may be used. The same are kept at i-Assist intranet site of NSDL at the link '**DIS (new formats) - Printable Files (.cdr)**' provided in '**Download'** menu [*Download -> DIS (new formats) - Printable Files (.cdr)*].

9. Participants must ensure that the formats prescribed in the aforesaid Annexures including the watermark and the placement of the logo are strictly adhered to. DIS Forms printed on or after October 1, 2014 must adhere to the aforesaid specifications.

10. For DIS received after the deadline prescribed by Participant for accepting instructions from Clients, Participants were earlier required to put remarks on the DIS (*'At Client Risk' - ref.: Circular Nos. NSDL/PI/2003/0406 dated March 7, 2003 and NSDL/PI/2004/1911 dated October 21, 2004*). Participants are requested to take note that such remarks need not be affixed for instructions received after the deadlines since the required remarks are incorporated in the new format of DIS ['*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'*].

11. In case of off-market and Inter-Depository Instruction, reason and consideration was required to be specified by the Client on the DIS. In the new DIS formats, reason codes are assigned for the 'reasons' and included as a part of the DIS format. Accordingly, the reason codes will have to be specified by the Clients on the DIS alongwith consideration (wherever applicable).

12. In view of stock of DIS Forms already printed, Participants can continue to use those DIS forms, provided it is in compliance with the following:
    i. DIS serial number is not greater than 12 digits.
    ii. DIS serial number is unique within a DP ID.
    iii. DIS has pre-printed DIS serial number, DP ID and a pre-printed/ pre-stamped Client ID

13. While issuing new DIS to Client, the Participant must intimate to Client that old DIS cannot be used after the new DIS is received by him / her. Once DIS in new format is issued to a Client, a time upto **one month** may be considered for receipt of old DIS from the Client. Participants should not accept instruction in old format after a month from the date of receipt of new DIS by the Client and must block the same in the back-office and also DPM system (if old DIS master is entered in the DPM system).

14. As advised by SEBI, Participant must phase out all DIS which are not as per the provisions of this Circular within a period of two years i.e. by January 6, 2016. After January 6, 2016, DIS issued as per the provisions of this circular only should be accepted by Participants.

B) Monitoring of DIS:

As per guidelines provided by SEBI, following features will be provided in DPM for monitoring of DIS by Participants:

1. DIS Issuance:

i. A facility will be provided in eDPM system to enter the details of DIS issued to Clients through front end screen or through file upload. Details of DIS includes fields like DIS serial number range [From – To], Client ID/ POA ID, DIS Issuance Date, DIS Transaction Type, etc. The Client ID or the POA ID for which DIS details are entered/ uploaded must be in 'Active' status. To enter these details through file upload, Participants may refer to file formats provided vide Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/POLICY/2014/0076 dated June 24, 2014.

ii. With effect from October 1, 2014, Participant must ensure that upon issuance of DIS booklet or loose slip to the Client, DIS details are entered in eDPM immediately but not later than within two days.

iii. For DIS which are issued to Clients before October 1, 2014, Participant, if so desires, may upload details of **unused** DIS in eDPM as old DIS (DIS Format Indicator "2", refer *Circular Nos. NSDL/POLICY/2014/0072 dated June 4, 2014 and NSDL/POLICY/2014/0076 dated June 24, 2014*). Participant must ensure that DIS serial number uploaded in eDPM is unique within a DP ID. Once the DIS details of such DIS are entered, eDPM will validate mapping between Client ID and DIS serial number and other details viz. type of instructions, format of DIS etc. at the time of execution of DIS.

iv. In case any Client reports (in writing) that DIS(s) has/ have been lost/ misplaced/ stolen or the account is closed, Participant must block unused DIS serial number(s) in eDPM.

v. In case of any error in DIS issuance entry by the Participant, a facility to cancel the DIS details entered/uploaded in eDPM and to re-enter/ re-upload the same is provided. Audit trail for the same will be maintained in the eDPM.

vi. In case of requests executed through Account Transmission/Account Closure module, the DIS range mapped with the Client ID will get immediately blocked if there are no securities lying in the account. In case some securities are pending in the account, the DIS will be blocked whenever all securities move out of the account.

2. DIS Execution:

i. For DIS executed in the DPM System on or after October 1, 2014, Participant must enter DIS serial number in eDPM at the time of DIS execution. The DIS serial number will be required to be entered irrespective of whether the old DIS formats or new DIS formats are used.

ii. The eDPM system will be enhanced to facilitate Participants to enter DIS serial number, DIS Format Indicator and DIS Type Indicator for following types of instructions:

a) Account transfer
b) Inter-Depository transfer
c) Delivery out
d) CM Pool to Pool transfer
e) Inter-settlement transfer
f) Transfer of holding (Account closure)

iii. For off market and Inter-Depository Instructions, a facility to enter reason code and consideration in the DPM will be provided. The entry of reason code and consideration (wherever applicable) in the DPM will be **optional** till **April 1, 2015** after which it shall be mandatory to enter such reason and consideration (wherever applicable) in the DPM for off-market and Inter-Depository Instructions.

iv. For account closure where the securities are to be transferred to an account of the same holder(s) or for transmission by using account closure/transmission module, entering DIS serial number is not mandatory.

v. For account closure where the securities are to be transferred to an account of the same holder(s) with another Depository, for execution of inter-depository instructions, Participant may capture 'CL9999999999' against DIS serial number and execute the instruction.

vi. For transmission of securities where the securities are to be transmitted to an account with another Depository, for execution of inter-depository instructions, Participant may capture 'TR9999999999' against DIS serial number and execute the instruction.

vii. For instructions to be executed in the DPM system based on a court or regulatory orders where no delivery instructions are available, Participant may capture 'RO9999999999' against DIS serial number and execute the instruction.

3. DIS Validation: eDPM will validate the DIS details while executing the instructions. Details of validation are given below:

i. eDPM will validate the DIS serial number as entered with the DIS issuance details and will ensure that no instruction with a DIS serial number of used DIS or unissued DIS or blocked DIS is accepted. For DIS issued to POA holder, system will validate POA ID and mapping of POA ID with the Client ID.

ii. Once an instruction is 'captured' in the eDPM, DIS serial number will be marked as 'used' in the DIS Master.

iii. A DIS serial number can be used for multiple instructions being entered/ uploaded for the same execution date. In such case, DIS serial number can be used for same type of instructions i.e. either for 'market trades' or 'off market trades'. The type of instruction and execution date for a DIS serial number will be determined by the system on the basis of first instruction entered in eDPM. For example: if first instruction against a DIS serial number is a 'Market trade', then the other instructions being entered under the same DIS serial number must be for market trades only.

iv. As same DIS serial number cannot be used for execution of transaction with multiple execution dates, after EOD of execution date, Participant will not be able to submit any new instruction with the same DIS serial number.

v. The above validations will also be applicable for loose DIS issued to a Client i.e. at the time of issuance of loose DIS, an entry will be required to be made in the DPM system and at the time of execution of loose DIS, the DIS serial number will be have to be entered, which will be validated by the DPM system. In case a Participant desires, the DPM system can be configured for the Participant to facilitate entry of loose DIS in the DIS master at the time of execution of DIS thereby avoiding double data entry. To avail this facility, Participant must send request to Participant Interface & Inspection Department (Email ID participant-interface@nsdl.co.in) alongwith confirmation on the following:

a. It has sufficient internal controls for issuance of loose DIS and execution of loose DIS.

b. Concurrent Audit will cover execution of loose DIS instructions on 100% basis, in addition to issuance of loose DIS.

4. In case of instructions which are received from Client or POA holder in electronic form as approved by NSDL, provisions of this Circular will not apply.

Participants are required to take note of above.

For and on behalf of
National Securities Depository Limited

sd/-

Samar Banwat
Senior Vice President

Enclosed: 20

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month.	By email at dp_igreport@nsdl.co.in Alternatively, by hard copy to the Investor Relationship Cell.	1. Circular No. NSDL/PI/98/500 dated October 6, 1998. 2. Circular No. NSDL/PI/2004/1688 dated September 16, 2004.
Networth Certificate and Audited Financial Statements.	September 30th every year.	By hard copy to Participant Interface Department.	Circular No. NSDL/PI/98/414 dated September 1, 1998.