Circular No.: NSDL/POLICY/2016/0071 Date: August 18, 2016

Subject: Settlement of Government Securities through NSDL Depository System.

All Participants are hereby informed that the depository system is enhanced to facilitate demat account holders to settle their trades in Government Securities on the Negotiated Dealing System–Order Matching (NDS-OM) platform, which is operated by Clearing Corporation of India Ltd (CCIL) on behalf of Reserve Bank of India (RBI).

Attention of Participants is invited to RBI Circular Ref. No. FMRD.DIRD.3/14.03.07/2016-17 dated July 28, 2016 (copy enclosed) issued in this context. Accordingly, this facility is made available to demat account holders of bank Depository Participants who are SGL Account Holders and direct members of NDS-OM and CCIL. With this, retail individual investors holding Demat Accounts with Bank DPs of NSDL will be able to purchase or sell government securities through the NDS-OM system. So far, access for trading in secondary market on NDS-OM was limited to only those maintaining SGL/CSGL accounts. These new guidelines will now facilitate efficient access for retail investors holding demat accounts to the government securities market and encourage retail participation. To make it easier for retail investors to trade, NSDL has also integrated NDS-OM web module with its e-services facility. It allows the Bank DPs to make available web trading facility to investors so that investors can directly trade online in government securities using the web module of NDS-OM and their existing NSDL demat account.

In this context, Bank Participants which are SGL Account Holders and direct members of NDS-OM and CCIL are requested to take note of the following:

1. Changes in static data code (incorporation of new booking code) in respect of download of SOT for the back-office interface with Local DPM system in respect of settlement of G-sec trades on the NDS-OM platform through depository (NSDL) settlement mechanism. The new booking code details are given below:

Booking Code	Booking Narration Code (Description)
11601	RBI_CCIL_CM_POOL (By RBI / CCIL Pay-Out)

   Bank Participants which are SGL Account Holders and direct members of NDS-OM and CCIL are advised to make necessary changes in their depository back office system as per the enclosed static data code in respect of Local DPM System.

2. The Primary Member will have to open a Pool Account in the Depository System. The process for activation of Primary Member Pool Account is given below:

a. Documents to be obtained from Primary Member (PM) and retained with the Participants. For opening of pool account of PM associated with CCIL, Participants are advised to obtain the following documents from the PM:

i. KYC Application Form (Part I) and Account Opening Form (Part II).
ii. A copy of the email / letter received from CCIL intimating for allotment of Membership ID to the PM.
iii. Board Resolution for authorised signatory.
iv. Memorandum of Association and Articles of Association.
v. Specimen copy of the cheque for capturing the 9-digit MICR code.
vi. Any other documents as specified in the Master Circular for opening of Account from time to time.

Participants should verify the completeness of the aforesaid documents submitted by the PM and verify the copies submitted with the original documents and retain the same. These documents / copy of these documents need not be forwarded to NSDL.

b. Documents to be provided by Participants to NSDL

i. Participants must provide a consent letter (as per format enclosed as Annexure) for opening of Pool Account in respect of PM to NSDL in hard copy. Alternatively, the scanned copy of aforementioned duly signed consent letter can be emailed to NSDL at ccinterface@nsdl.co.in.
ii. After the receipt of aforesaid document, NSDL will allot the CM BP ID for PM Pool account and intimate the same to the Participants electronically.

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

Name of the official	Telephone Number	Email address
Mr. Suyash Kotian	(022) 2499 4364	SuyashK@nsdl.co.in
Mr. Ajinkya Velapure	(022) 2499 4647	AjinkyaV@nsdl.co.in
Mr. Rahul Gupta	(022) 2499 4372	rahulg@nsdl.co.in

For and on behalf of
National Securities Depository Limited

Prashant Prachand
Assistant Vice President

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	1. Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015.
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.

Digitally signed by
Name : Prashant Prachand
Date : 8/18/2016 6:03:50 PM
Reason : Authentication