

Circular No.: NSDL/POLICY/2025/0039

March 28, 2025

Subject: Amendment to Business Rule of NSDL - Penalty Structure

All Participants are hereby informed that the amendments have been made to rule 18.1.1 of NSDL Business Rules by insertion of new nature of non-compliances with respect to non- conversion of eligible demat accounts into Basic Service demat accounts (BSDA) and revision of penalty for non compliance of PAN details and the same is enclosed in track change mode as **Annexure A**.

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

**For and on behalf of
National Securities Depository Limited**

**Arockiaraj
Manager**

Enclosures: One

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 28 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (monthly)	Before 25 th of following month	Through Email.	Circular No.: NSDL/POLICY/2024/0115 dated August 21, 2024
VAPT compliance and Revalidation report (Final VAPT Report)	March 31, 2025	Though E-Pass	Circular No. NSDL/ POLICY/2024/0148 dated October 10, 2024

**National Securities Depository Limited**

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Corporate Identity Number: U74120MH2012PLC230380

Annexure A

18.1.1- The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:

Sr. No.	Nature of non-compliances	Proposed Penal Action
I	Operational deviations	
<u>41</u>	<u>Demat accounts not converted into BSDA, after assessing the eligibility at the end of the current billing cycle as per respective depository / SEBI guidelines.</u>	<u>₹500/- per account.</u> <u>₹1000/- per account in case deviation observed in more than 50 demat accounts.</u> <u>If such deviation is observed in two consecutive inspections, penalty would be ₹1,000/- per account.</u> <u>₹ 2000/- per account in case deviation observed in more than 50 demat accounts.</u> <u>If such deviation is observed in three consecutive inspections, matter would be referred to the Member Committee for further action, if any.</u>
8	Incorrect entry of PAN details in Depository system as prescribed under guidelines of Depository / SEBI /PMLA	₹ 500/100 /- per account