# National Securities Depository Ltd.

**Issuer Interface**

**Circular**

Circular No.: NSDL/CIR/II/22/2010 Date: July 2, 2010

***Sub: Amendments to Business Rules***

All Issuers/R & T Agents are hereby informed that as suggested by SEBI, NSDL has decided to provide a facility for investors to submit request for conversion of their mutual fund units represented by Statement of Account into dematerialised form through Participants. In this context, Issuers/R & T Agents are advised to note that Rules 11.7.1 to 11.7.11 and Annexure B (as enclosed) have been inserted in the Business Rules of NSDL. The new Rules are given below:

**"11.7 CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT INTO DEMATERIALISED FORM THROUGH A PARTICIPANT**

11.7.1 Every Client desirous of converting mutual fund units represented by Statement of Account into dematerialised form through a Participant shall submit to the Participant the Conversion Request Form alongwith the Statement of Account evidencing the holding of mutual fund units. The specimen of Conversion Request Form is given in Annexure B.

11.7.2 The Client submitting the Conversion Request Form shall declare to the Participant that the units sought to be held in dematerialised form are in the name of the client itself and are not already dematerialised and no certificates are issued against these units.

11.7.3 The Client shall submit separate Conversion Request Form for its each folio number with the Issuer and/or its Registrar and Transfer Agent and for each of its account with the Participant.

11.7.4 The Client shall submit a separate Conversion Request Form for locked in and free units under the same ISIN.

11.7.5 The Participant shall first ensure that the mutual fund units submitted by its Client for conversion belong to the list of securities admitted by the Depository as eligible to be held in dematerialised form.

11.7.6 The Participant shall ensure that the Conversion Request Form submitted by its Client is completely filled and duly signed.

11.7.7 The Participant shall verify the name and the pattern of holding of the Client's account with the name and the pattern of holdings as mentioned on the Statement of Account and Conversion Request Form. Further, the Participant shall verify all other details and verify the number of pages of Statement of Account mentioned on the Conversion Request Form with the Statement of Account submitted by the Client.

11.7.8 The Participant shall intimate the Conversion Request to the Depository. After writing the Conversion Request Number on the Conversion Request Form and retaining a copy of the form, forward the Conversion Request Form alongwith the Statement of Account to the Issuer or its Registrar and Transfer Agent.

11.7.9 The Conversion Request Form shall be forwarded by the Participant to the Issuer or its Registrar and Transfer Agent within seven days of accepting the same from its Client.

11.7.10 The Issuer or its Registrar and Transfer Agent shall after due verification promptly confirm the conversion request to the Depository for credit of the units into the account of the Client.

11.7.11 In case any objection memo has been received for such units from the Issuer or its Registrar and Transfer Agent, the Participant shall facilitate the correction of such objections on a timely basis."

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

**Chandrashekhar Tilak**
**Executive Vice President**

Encl.: a/a

Signature Not Verified
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