

NSDL Master Circular – Index

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Chapter 1 - Dematerialisation and Rematerialisation

1. Any BO must inform the Participant of the details of the certificate of security which is to be dematerialised and must surrender the same to the Participant. The Participant then shall forward such details to NSDL. After receiving the relevant information from the Issuer, NSDL will enter the name of the person who has surrendered the certificate in its records, as the BO in its records and send an intimation to the Participant.¹
2. The following securities are eligible for dematerialisation:²
 - (a) shares, scrips, stocks, bonds, debentures, debenture stock, Indian Depository Receipts, Electronic Gold Receipt or other marketable securities of a like nature in or of any incorporated company or other body corporate;
 - (b) units of mutual funds, rights under collective investment schemes and venture capital funds, commercial paper, certificates of deposit, securitised debt, money market instruments, Government securities and unlisted securities shall also be similarly eligible for being held in dematerialised form in a depository; and
 - (c) any other security as may be specified by the SEBI from time to time.
3. The Depository shall, from time to time, suitably publish the list of securities, which have been permitted for the commencement of dematerialisation.³
4. **Procedure for dematerialisation of securities⁴**

Credit of securities into the Depository shall be made either on account of dematerialisation of physical securities or on the fresh issue of securities in the dematerialised form. A Client may convert his physical holdings of securities into dematerialised form after following due process:⁵

- (a) Every Client shall submit to the Participant the securities for dematerialisation along with the Dematerialisation Request Form (DRF). Dematerialisation request shall only be entertained from a registered holder of securities.
- (b) The Participant shall ensure that the DRF submitted by its Client is completely filled and duly signed, including verification of the signature of the client with its records.

¹ Regulation 74, D & P Regulations.

² Regulation 42, D & P Regulations.

³ Bye Law 8.3, NSDL Bye Laws.

⁴ Regulation 74, D & P Regulations; Rule 11.1, NSDL Business Rules.

⁵ Bye Law 9.2, NSDL Bye Laws.

- (c) The Participant shall forward the DRF, along with the security certificates or the Letter of Confirmation (as the case may be),⁶ to the Issuer or its Registrar & Transfer Agent (RTA) within seven days of accepting it from the Client⁷ after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF.
- (d) The Issuer or its RTA shall verify the validity of the security certificates or the Letter of Confirmation (as the case may be)⁸ as well as the fact that the DRF has been made by the person recorded as a member in its Register of Members.⁹

The 'Letter of Confirmation' shall remain valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Participant for dematerializing the said securities¹⁰. Participants must forward additional details of the client such as address and contact details of the client, status of the account, type and subtype of the account, PAN of all the holders and the bank account details captured in the demat account so as to assist the Issuers/RTA to carry out due diligence while processing the dematerialisation requests. Participants must enclose a duly certified Client Master Report printed either from the DPM system or from Participant's back-office system; or a covering letter generated from the DPM system or from Participant's back-office system which incorporates the aforesaid details along with the DRF Form while forwarding the demat requests.¹¹

- (e) The Participant shall check the Distinctive Numbers of certificates of securities submitted by its Client for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.
- (f) The Participant shall also verify the details of the certificates submitted for dematerialisation with the details filled up in the corresponding DRF.
- (g) The Participant shall ensure that the certificates submitted for dematerialisation are marked by the Client with the words "Surrendered for Dematerialisation" which should be at least four inches in length and one inch in width.

⁶ In case of request for dematerialisation of securities relating to: (i) Issue of duplicate securities certificate, (ii) Claim from Unclaimed Suspense Account, (iii) Renewal / Exchange of securities certificate, (iv) Endorsement, (v) Subdivision / Splitting of securities certificate, (vi) Consolidation of securities certificates/folios, (vii) Transmission, (viii) Transposition or (ix) any other service request as prescribed by SEBI from time to time, , a letter of confirmation in prescribed form issued by the Issuer or its RTA in accordance with the circular or guidelines issued by SEBI from time to time can be accepted in place of the original securities certificate(s) along with DRF. Reference: Circular No.: NSDL/CIR/II/02/2022 dated February 16, 2022 dated February 16, 2022;

⁷ Bye Law 9.2.3, NSDL Bye Laws; Regulation 74(4), D & P Regulations.

⁸ Bye Law 9.2.5

⁹ Bye Law 9.2.5, NSDL Bye Laws.

¹⁰ Reference: Circular No.: NSDL/CIR/II/02/2022 dated February 16, 2022.

¹¹ Reference: Circular No.: NSDL/CIR/II/27/2018 dated October 5, 2018.

- (h) The Participant shall ensure the safety and security of the certificates submitted for dematerialisation till the certificates are forwarded to the Issuer or its RTA.
- (i) The Participant shall cancel the security certificates by drawing two parallel lines across the certificate and punch two holes on the company name in the manner laid down in NSDL Business Rules before forwarding the same to the Issuer or its RTA.
- (j) The Participant shall ensure that a separate DRF is filled in by the Client for securities having distinct International Securities Identification Numbers [ISINs].
- (k) The Participant shall ensure that a separate DRF is filled in by the Client for locked in and free securities having the same ISIN.
- (l) The Participant shall ensure that the Client submits a separate DRF for each of its accounts maintained with the Participant.
- (m) The securities which have been dematerialised shall be credited to the accounts maintained by a Participant only when the pattern of holdings in the account of the Client matches with the pattern of holdings as per the security certificates.

Provided however that in case where the names appearing on the certificates match with the names in which the account has been opened but are in a different order, the Client can get the security certificates dematerialised by submitting the security certificates alongwith the Transposition Form and the Dematerialisation Request Form (DRF) to the Participant.

- (n) In the case of securities which have been submitted for dematerialisation for which any objection memo has been received from the Issuer or its RTA, the Participant shall facilitate the correction of such objections on a timely basis.
- (o) The Issuers / R&T Agents are advised that the DRFs containing facsimile signature of the participant be accepted as good for dematerialisation.¹²
- (p) Every company shall appoint the same registrars and share transfer agents for both the depositories.
- (q) The registrars and share transfer agents shall accept partial dematerialisation requests and will not reject or send back the complete lot of dematerialisation request to the DPs in cases where only a part of the request was to be rejected.
- (r) In cases where a DP has already sent information about dematerialisation electronically to the Registrar but physical shares have not received, the

¹² Reference Circular No : NSDL/SG/020/99 dated June 11, 1999

registrar will accept the demat request and carry out dematerialisation on the indemnity given by the DP and proof of dispatch of document given by DP.¹³

5. **Rejection of dematerialisation request**

- (a) Where the Issuer or its RTA rejects any dematerialisation request, it shall electronically intimate the Depository regarding such rejection within a period of fifteen days.¹⁴
- (b) On the Issuer or its RTA intimating to the Depository in the manner specified,¹⁵ the Issuer or its RTA shall return the DRF along with the relevant security certificates or letter of confirmation (as the case may be)¹⁶ unless the reasons for such rejections are:-
 - (i) the security certificates are stolen or;
 - (ii) the security certificates are fake or;
 - (iii) the letter of confirmation is fake or expired¹⁷; or
 - (iv) in the event of an order from a court or a competent statutory authority prohibiting the transfer of such securities or;
 - (v) in case duplicate certificates have been issued in respect of the securities with the same distinctive numbers.¹⁸
- (c) It is recommended that Issuers print the ISIN number(s) allotted by the depository on the security certificates. Printing the ISIN number(s) on the security certificates would ensure that the demat requests are generated under the correct ISIN number by the Depository Participants (DPs). This is also very useful for the corporates at the time of processing the dematerialisation requests, especially when different types of securities having different ISIN numbers are admitted in the depository.¹⁹
- (d) Demat request forms (DRFs) and the certificates do not reach the Registrar within 30 days from the date of electronic request, such requests should be rejected.²⁰
- (e) In case where there are pending court cases in respect of shares for which demat requests have been received, such requests should be rejected within 30 days

¹³ Reference Circular No.: NSDL/JS/057/2002 dated November 22, 2002

¹⁴ Bye Law 9.2.8, NSDL Bye Laws.

¹⁵ Bye Law 9.2.8, NSDL Bye Laws.

¹⁶ Bye Law 9.2.9, NSDL Bye Laws

¹⁷ Bye Law 9.2.9, NSDL Bye Laws

¹⁸ Bye Law 9.2.9, NSDL Bye Laws.

¹⁹ Reference Circular No. NSDL/SG/025/2001 dated May 14, 2001

²⁰ Reference Circular No : NSDL/SG/034/99 dated September 17, 1999

and the Registrars should ensure that the relevant documents are despatched to the Participants within 5 days of the rejection.²¹

- (f) Issuer/ R & T Agents are advised to intimate NSDL promptly about any change in the address for despatch of physical documents relating to dematerialisation requests.²²

6. Rematerialisation process

A Client may withdraw its security balances with the Depository at any point of time by making an application to that effect to the Depository through its Participant. A Participant holding its own securities in the Depository may withdraw its security balances with the Depository by making an application to that effect to the Depository.²³

Following is the process to be followed for rematerialisation:²⁴

- (a) Every Client shall submit to the Participant the securities for rematerialisation along with the Rematerialisation Request Form (RRF). The specimen of the RRF is given in Form 6 of the Business Rules.
- (b) The Participant shall ensure that the Client submits a separate RRF for each security and for each account maintained by the Client with the Participant.
- (c) The Participant shall ensure that the RRF submitted by its Client is completely filled and duly signed.
- (d) The Participant shall ensure that the Client has sufficient free holdings in its account maintained in electronic form and sufficient free relevant security balance before sending the RRF to the Issuer or its Registrar and Transfer Agent (RTA). Participant shall forward the RRF to the Issuer or its RTA within seven days of accepting such request from the Client.²⁵
- (e) If there is sufficient balance, the Participant shall accept the said RRF and block the balance of the Client to the extent of the rematerialisation quantity and electronically intimate the request to the Depository.²⁶ On receipt of the request referred to in Bye Law 9.4.4, the Depository shall block the balance of the Participant to the extent of rematerialisation quantity in Depository system.²⁷
- (f) The Participant shall verify the signatures on each rematerialisation request with the signatures on the records held with it and authorise each RRF before forwarding it to the Issuer or its RTA.

²¹ Reference Circular No: NSDL/SG/034/99 dated September 17, 1999

²² Reference Circular No. NSDL/JS/035/2002 Date: August 6, 2002

²³ Bye Laws 9.4.1 and 9.4.2, NSDL Bye Laws.

²⁴ Business Rule 11.2, NSDL Business Rules.

²⁵ Bye Law 9.4.7, NSDL Bye Laws.

²⁶ Bye Law 9.4.4, NSDL Bye Laws.

²⁷ Bye Law 9.4.5, NSDL Bye Laws.

- (g) The Participant shall print the Client details from the DPM (DP) and enclose the same along with the RRF to the Issuer or its RTA.
- (h) The securities issued at the time of rematerialisation shall be in the name of the person(s) who held the account in respect of which such securities have been rematerialised, as explained in Annexure A.
- (i) The Issuer or its RTA after validating the RRF will confirm electronically to the Depository that the RRF has been accepted. Thereafter the Issuer or its RTA shall despatch the share certificates arising out of the rematerialisation request within a period of thirty days from receipt of such RRF. On receipt of such acceptance from the Issuer or its RTA, the Depository shall remove the balances from the respective Participant's account and the Participant shall remove the balance from the respective Client's account.²⁸
- (j) Every Issuer or its RTA shall issue the certificate of securities against receipt of the RRF from the Client through the Participant and on receipt of confirmed instructions from the Depository. Provided however that, in case of Government Securities, the procedure for opting out of the Depository shall be as per the provisions of Bye Laws 9.13.1 to 9.13.7.²⁹

7. Processing of request for dematerialization of shares vested with custodian³⁰

- (a) Custodians appointed under some special Acts such as Trial of Offences Relating to Transactions in Securities Act 1992 (TORTS), Enemy Property Act, 1968 etc. are also required to hold shares of listed companies. In such matters, the Custodians may be treated as holder / member in the Register of Member of the company. The Custodians may also hold such shares in dematerialised form in the Depositories Act, 1996 and accordingly clarifies that if any RTA / Company receives an application from such Custodians for dematerialisation of shares:-
 - (i) The Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which disallows transfer of physical shares from April 01, 2019, will not be applicable in such matters.
 - (ii) The shares after dematerialisation may be credited to the demat account of such Custodian.

8. Transmission (name deletion) and dematerialisation of securities³¹

In case of death of one or more of the joint holders, the surviving joint holder(s) can get the name(s) of the deceased deleted from the security certificate(s) and get them

²⁸ Bye Laws 9.4.7 and 9.4.8, NSDL Bye Laws.

²⁹ Bye Law 8.5.4, NSDL Bye Laws.

³⁰ Reference: Circular No.: NSDL/CIR/II/22/2021 dated September 6, 2021.

³¹ Rule 11.1.19, NSDL Business Rules; Bye Law 9.2.14, NSDL Bye Laws.

dematerialised by submitting the security certificates along with the Transmission Form provided in Business Rules and the DRF to the Participant.

9. **Signature variation form alongwith dematerialisation request³²**

In case the signature of the client recorded with the Issuer varies with the signature of the client as recorded with the Participant, the client may submit to the Participant a Signature Variation Form provided in Business Rules alongwith the DRF.

10. **Additional facilities provided:**

1. *Facility for cancellation of pending demat requests³³*

Depository Participant has been enabled to cancel pending demat requests after pre-defined days upon receiving cancellation request from the investor i.e., instructions pertaining to demat that are pending for confirmation for more than 60 days can be cancelled by Participants themselves.³⁴

2. *Initiation of demat/remat requests (Reference Circular No. NSDL/JS/006/2002 dated March 14, 2002)*

Fresh initiation of demat/remat requests by the Participants for securities is prevented 21 days in advance of the maturity date.

11. **Enhancements in respect of dematerialisation of physical securities in DPM SHR system³⁵**

SEBI has vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122 dated November 5, 2019 issued directions regarding Enhanced Due Diligence for Dematerialization of Physical Securities advising listed companies or their RTA to provide data of their members holding shares in physical mode (Static database) to the Depositories. Further, Depositories are advised to capture the relevant details from the static database and put in place systems to validate dematerialization request and generate an alert in case of mismatch of name on the share certificate(s) as provided by the Issuer/RTA vis-à-vis name of the demat account holder.

Issuers/R&T Agents were directed to provide data of its members holding shares in physical form, viz the name of shareholders, folio numbers, certificate numbers, distinctive numbers and PAN, etc. (i.e., static database) as on March 31, 2019, to NSDL.

³² Rule 11.1.20, NSDL Business Rules.

³³ Reference: Circular No.: NSDL/CIR/II/41/2010 dated December 15, 2010.

³⁴ Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010

³⁵ Reference: Circular No.: NSDL/CIR/II/24/2019 dated November 18, 2019, NSDL/CIR/II/27/2019 dated December 27, 2019

Issuer were also advised to provide information of physical certificates issued after April 1, 2019 pursuant to sub-division and consolidation of face value, listing of equity shares on stock exchange, scheme of arrangement, etc.

1. Guidelines for uploading Static Database for Enhanced due diligence for Dematerialisation of physical shares

- a. Issuers/R&T Agents shall upload the static data of physical shareholders as on March 31, 2019 in NSDL system as per SEBI circular dated November 5, 2019 along with status of physical share certificates as on upload date in Upload/Download menu using 'Physical Certificate Upload' option.
- b. Issuers/R&T Agents shall upload the data as per prescribed file formats using 'Add File' option. User will select the file to be uploaded from required path and click 'Upload All' button.
- c. In respect of file uploaded, system will generate File Reference Number and the status of the File Reference number will show as "Accepted".
- d. Using File Reference Number, checker user will Verify Release the file at the path RTA Login→Upload / Download→Verify Release
- e. After Verify Release of the file by the checker, the status of the File Reference number will change to "Verify Released" and is received at NSDL for processing.
- f. While processing the records uploaded by Issuers/R&T Agents, records where distinctive numbers for Physical Shares provided matches with the holding type of such distinctive numbers as available in database of distinctive numbers maintained by the depositories will be accepted by NSDL and will be provided in the response file. In case any record is rejected during processing such records will be provided in a separate file.
- g. Issuer/RTA may review the rejected records and take corrective action in respect of rejected records by uploading a separate file for the rejected records after rectifying the rejection reason.
- h. For the cases where new physical share certificates have been issued by company after March 31, 2019 pursuant to Sub-division/ Consolidation of face value, Demerger, Scheme of amalgamation, Bonus etc. and where the equity shares of the company are listed after March 31, 2019 and where such company is having physical certificates the Issuer/R&T Agent shall upload the Static Data on the date of listing after upload of DN database.

2. Guidelines in respect of Dematerialisation of Physical Securities in DPM-SHR System

- a. NSDL eDPM system has been enhanced to facilitate the Depository Participants (DPs) to capture additional details viz., Folio Number, Certificate Number, Quantity, Distinctive Number From and Distinctive Number To, etc., during generation of dematerialisation requests.
- b. Depository system will validate the 'Distinctive Number From' and 'Distinctive Number To' captured by DP with the Distinctive Number (DN) as available in the

Distinctive Number Database and Static Data for physical shareholders (Static Database) as uploaded by the Issuer/R&T Agent in NSDL system at the time of generating the dematerialisation request by DP.

- c. Based on the DN details captured by the DP, depository system shall retrieve the name of the shareholder(s) as available in the Static Database (as provided by Issuer/RTA) and shall validate with the name of the demat account holder(s). Depository system shall generate an alert where the name of demat account holder(s) as available in the demat account has not matched with the name of the shareholder(s) as provided by Issuer/R&T Agent in the Static Database.
- d. The details like Folio Number, Certificate Number, Distinctive Number From, Distinctive Number To and Quantity as captured by DP while generating the dematerialisation request, will be downloaded to Issuer/RTA along with the indicator where name has not matched.
- e. Issuer/R&T Agent shall provide additional details like Folio Number and Certificate Number at the time of confirmation of dematerialisation request. These additional details shall be validated with the details as provided by the DP for generation of dematerialisation request.
- f. In case of dematerialisation request where indicator (for name not matched) is generated, the R&T Agent shall obtain/ verify the additional documents provided the demat account holder(s) for confirmation of dematerialisation request and provide the 'Reason for Acceptance' by selecting/mentioning appropriate reason as given in the table below.

Reason Code	Reason Description
1	Name change by Gazette Notification
2	Name change due to marriage
3	Aadhar Card
4	Passport
5	**ROM Changes after upload of static database – Transmission
6	**ROM Changes after upload of static database – Transposition
7	**ROM Changes after upload of static database – Transfer
8	Minor Name Mismatch

** Note: ROM – Register of Members

Back office file formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

Chapter 2 - Mutual Funds

1) Introduction

(I) Facility for holding Mutual Fund units in dematerialised form

The existing demat accounts can be used for holding Mutual Fund (MF) units in dematerialised form. In case an investor desires to convert their existing physical units (represented by statement of account) into dematerialized form and does not have a demat account, such an investor would be required to open a demat account with any Participant.

(II) Know your Client (KYC)

Where investor desires to hold units in dematerialised form, the KYC performed by Participant would be considered compliance with applicable requirements specified for MF / Asset Management Companies (AMCs).

(III) Code of conduct / AMFI – NISM certification

Participants will be eligible to be considered as official points of acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular No. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI/ NISM certification, code of conduct prescribed by SEBI for Intermediaries of MF, shall be applicable for Participants as well.

(IV) Role of Depositories in facilitating RTA's for enhancing investor's experience in MF transactions³⁶

As per SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/604 dated July 21, 2021, AMCs and Depositories together with the RTAs have engaged in development of common industry wide platform that delivers an integrated, harmonized, elevated experience to the investors across the industry. Through this platform, investors can access various services for all MF in an integrated manner. Investors can also access various services for all MF through NSDL eservices website. The AMCs, RTAs, and Depositories have adopted the data definitions and standards as provided / recommended by SEBI for data exchange amongst various participants.

(V) Depositories to facilitate recognised stock exchanges

As per SEBI Circular No. SEBI/IMD/ CIRNo.11/183204/ 2009 and SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated November 13, 2009 and February 26, 2020 respectively, investors are allowed to access infrastructure of

³⁶

Circular No.: NSDL/CIR/II/19/2021 dated July 30, 2021; SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/604 dated July 26, 2021.

the recognised stock exchanges to purchase and redeem MF units directly from Mutual Fund/Asset Management Companies and Participants are to facilitate these recognised stock exchanges.

2) Conversion of MF units represented by SOA into dematerialised form through participants

(I) Introduction

Facility for Clients to submit request for conversion of their MF units represented by SoA into dematerialised form is available through their Participants.

(II) Procedure³⁷

- (i) Every Client desirous of converting MF units represented by SoA into dematerialised form through a Participant shall submit to the Participant the Conversion Request Form along with the SoA evidencing the holding of MF units.
- (ii) 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.
- (iii) The Participant shall first ensure that the MF 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.
- (iv) The Participant shall ensure that the Conversion Request Form submitted by its Client is completely filled and duly signed.
- (v) 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 SoA and Conversion Request Form.
- (vi) The Participant shall intimate the Conversion Request to the Depository within five days from the date of accepting the same from its Client by initiating the request in the DPM system.
- (vii) Upon receipt of electronic conversion request from the Depository, the Issuer or its Registrar and Transfer Agent shall after due verification including the verification of signature of Clients from the DPM (SHR) system with their records, confirm the conversion request to the Depository for credit of the units into the account of the Client within two days from the date of receipt of request.

- (viii) In case any objection memo has been received for such units from the Issuer or its RTA, the Participant shall facilitate the correction of such objections on a timely basis.

(III) Conversion directly through AMC / RTA discontinued³⁸

The procedure for conversion of MF units represented by SoA into dematerialised form – through AMC/ RTA for MF ISINs (*Security Type Code '13' and '20'*) has been discontinued. As a result, conversion requests should be submitted only through Participants.

(IV) Conversion of MF units based on different conversion types

The DPM System enables Participants to initiate request for conversion of MF units represented by SoA based on different conversion types viz., ISIN, Mutual Fund Folios and NSDL CAS (Consolidated Account Statement) into dematerialized form. Additionally, the existing functionality in respect of ISIN based conversion with the existing file formats is still in practice.

3) Reconversion of MF units into SOA

(I) Introduction

Facility for Clients to re-convert MF units (*held in demat form*) into SoA is available through their Participants.

(II) Procedure

- (i) Every Client desirous of reconverting units held in dematerialized form to units in SoA, shall submit to the Participant Reconversion Request Form. The Client shall submit separate Reconversion Request Form for each Issuer separately.
- (ii) The Client shall submit a separate Reconversion Request Form for locked in and free units under the same ISIN.
- (iii) The Participant shall ensure that the Reconversion Request Form submitted by its Client is completely filled and duly signed.
- (iv) The Participant shall ensure that the Client has sufficient free or locked-in units in its account maintained in electronic form and also verify the signatures on each Reconversion Request Form with the signatures held with it and authorise each Reconversion Request Form before forwarding it to the Issuer or its RTA.
- (v) The Participant shall intimate the Reconversion Request to the Depository. After writing the Reconversion Request Number on the

³⁸ Reference Circular No.: NSDL/CIR/II/26/2010 dated September 6, 2010

Reconversion Request Form and retaining a copy of the form, forward the Reconversion Request Form to the Issuer or its RTA.

- (vi) The Reconversion Request Form shall be forwarded by the Participant to the Issuer or its RTA within seven days of accepting the same from its Client.
- (vii) The units issued at the time of reconversion of units into SoA form shall be in the name(s) of the person(s) who held the account in respect of such units. At the time of reconversion of units, the units in SoA form shall be issued to the persons as per the pattern of holdings in the account of the Participant from which such units are reconverted.
- (viii) The Issuer or its RTA shall after due verification promptly confirm the reconversion request to the Depository for debit of units from the account of the Client.
- (ix) In case any objection memo has been received for such units from the Issuer or its RTA, the Participant shall facilitate the correction of such objections on a timely basis.

4) Option to hold MF units in dematerialised form while subscribing

As per SEBI Circular No. CIR/IMD/DF/9/2011 dated May 19, 2011, MFs/AMCs should provide an option to the investor to receive allotment of MF units in their demat account while subscribing to any scheme (*open ended/close ended/Interval*). Therefore, MFs/AMCs are required to invariably provide an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form.

Demat option for Systematic Investment Plan (SIP) is available in case of following scenarios:

- (i) Conversion of mutual fund units into demat form in respect of existing SIPs.
- (ii) New subscriptions of SIPs for mutual funds units in demat form.

For conversion of mutual fund units into demat form including SIP facility, Participants may guide their Clients to opt for "ALL" option for conversion instead of "quantity" option. In case the "ALL" option for conversion is selected, the R&T Agent/AMC would be able to credit all units held by the investor into demat form.

5) Subscription of MF units in dematerialised form through stock exchange platform

(I) Procedure

- (i) Clients (*i.e., subscribers*) can subscribe to the MF units through their Stock Brokers as per the existing process.

- (ii) The MF units will be credited by AMC / RTA into the Beneficiary Owner (BO) account of the AMC through credit corporate action under free balance.
- (iii) The AMC would transfer MF units from its BO account to its AMC/MF Clearing Member (CM) Pool account as given below:

Sr. No.	Stock Exchange Name	CC Name	Market Type	Deadline time for execution of instructions in the e-DPM System	Deadline time for submission of instructions on SPEED-e
1	National Stock Exchange of India Limited	NCL	Normal Subscription	2.30 pm on the next day of the order date (i.e., by T+1 day)	1.30 pm on the next day of the order date (i.e., by T+1 day)
			Liquid Subscription	4.30 pm on the same day of the order date (i.e., on T Day)	3.55 pm on the same day of the order date (i.e., on T Day)
2	BSE Limited	ICCL	Mutual Fund Subscription	2.30 pm on the next day of the order date (i.e., by T+1 day)	1.30 pm on the next day of the order date (i.e., by T+1 day)
			MF Subscription – Liquid	3.30 pm on the same day of the order date (i.e., on T Day)	2.55 pm on the same day of the order date (i.e., on T Day)

- (iv) The AMC has to execute Delivery-out instructions from its CM Pool Account or avail Auto DO facility of NCL/ICCL to deliver the MF units [including ELSS (Equity Linked Saving Schemes)] for Pay-in.
- (v) Upon execution of Pay-in of securities as per the settlement schedule declared by NCL/ICCL, the CM Pool Account of the AMC will be debited through the usual settlement process.
- (vi) NCL/ICCL will credit the MF units into the respective subscriber account by Pay-out through usual settlement process.

(II) Credit of MF units of ELSS under lock-in in BO accounts

- i. The MF units of ELSS credited in the BO account of Clients would be locked-in for a period of three years from the date of allotment. The allotment date would be the

"Settlement Start Date", as informed by the Stock Exchange.

- ii. To identify the ISINs that are pertaining to MF units of ELSS as informed by the AMC, ISIN details would be made available at NSDL's intranet site (<https://i-Assist>).
- iii. For ELSS CM Pool to CM Pool transfers, Inter Settlement transfers and Inter Depository transfers will not be permitted from the CM Pool account till the lock-in release date.
- iv. AMCs to take adequate precautions to mention correct settlement number and market type in the DIS / capture correct settlement number in case instructions are electronically submitted at the time of transferring MF units of ELSS from their BO accounts to their AMC CM Pool Accounts.

(III) Credit of Mutual Fund Units pertaining to the *Retirement Savings Fund Plan* under lock-in in BO accounts

Participants are required to note the following subscription process to be followed for subscribing to MF units for Retirement Savings Fund Plan(s) (RSFP) launched by AMC(s), through the Stock Exchange infrastructure:

1. The MF units of an RSFP credited in the BO account of Clients by their Clearing Members (CM) would be locked-in for a period of five years from the date of allotment. The allotment date would be the 'Settlement Start Date', as informed by the Stock Exchange. Participants can ascertain the 'Settlement Start Date' from the 'CC Calendar' provided in Local DPM System.
2. To identify the ISINs that are pertaining to MF units of RSFP as informed by the AMC, ISIN details would be made available at NSDL's intranet site (<https://i-assist>). The ISIN list would be updated as and when AMC provides the ISIN pertaining to the RSFP units.
3. Upon receipt of MF units of RSFP into the CM Pool Account on Pay-out, these RSFP Units can be transferred only to the BO account. CM Pool to CM Pool transfers, Inter Settlement transfers and Inter Depository transfers will not be permitted from the CM Pool account till the lock-in release date. In view of this, Participants may inform their Clients viz;
 - (i) CMs to take adequate precautions such as mentioning the correct Client ID in the Delivery Instruction Slips (DIS) / capturing correct Client details in case instructions are electronically submitted, at the time of transferring MF units of RSFP from their CM Pool Accounts to BO accounts.

- (ii) AMCs to take adequate precautions to mention correct settlement number and market type in the DIS / capture correct settlement number in case instructions are electronically submitted at the time of transferring mutual fund units to RSFP from their BO accounts to their AMC CM Pool Accounts.

6) Redemption of MF units held in dematerialised form through Stock Exchange platform

Settlement details for submission of instructions

In addition to the Client placing order through its Stock Broker, the Client will have to submit Delivery Instruction Slips to its Participant to transfer the MF units to the designated CM Pool account of NCL / ICCL, as given below:

Sr. No.	Stock Exchange Name	CC Name	CM BP ID	Market Type	Deadline time for execution of instructions in the e-DPM System	Deadline time for submission of instructions on SPEED- e
1	National Stock Exchange of India Limited	NCL	IN565576	Normal Redemption	4.30 pm on Trade Day (Order Day)	3.30 pm on Trade Day (Order Day)
				Liquid Redemption		
				MFSS T+2		
				MFSS T+4		
2	BSE Limited	ICCL	IN640016	Mutual Fund- Redemption		

7) Redemption through Participants

(I) Introduction

To redeem the MF units through Participants, Clients are required to submit Repurchase / Redemption Form (RF) to Participants. Participants need not

forward the physical copy of the RF to the Issuer / RTA. After due verification, the RF submitted by Clients will be retained by the Participants. Participants are required to only execute electronic redemption request in the e-DPM System.

At the time of initiating manual instruction for redemption, facility to mention "All Units" (*i.e., not entering number of units*) or "Amount" is also available for Participants.

(II) Procedure

- (k) In case the Issuer gives an option to the Client for repurchase or redemption of securities held in dematerialised form, the Client on exercising his option, shall submit to the Participant the RF in the format given in Annexure B.
- (l) The Participant shall ensure that the Client submits a separate RF for each security and for each account maintained by the Client with the Participant.
- (m) The Participant shall ensure that the RF submitted by his Client is completely filled and duly signed. The Participant shall verify the details mentioned in the RF with the details of Clients account and ensure that the RF is in order.
- (n) The Participant shall verify the signatures on each RF with the signatures on the records held with it.
- (o) The Participant shall, except in case of amount based redemption, ensure that the Client has sufficient free holdings in his account before executing the instructions in the DPM (DP).
- (p) The Participant shall execute the instructions for Repurchase or Redemption of securities in the DPM (DP).
- (q) The Issuer or its RTA shall verify the request in the DPM (SHR), and if in order, confirm the request for Redemption or Repurchase in the DPM (SHR) and pay the proceeds directly to the Client.
- (r) In case of Mutual Fund Redemption request for "All Units", the 'Quantity Requested' field will contain MF units **available** in the Client account for the specified MF ISIN at the time of initiation of Mutual Fund Redemption request by DP. AMC/RTA may process the MF Redemption request by specifying the requisite number of units at the time of confirmation/rejection.
- (s) In case of Mutual Fund Redemption request for specified "Amount" initiated by DP, "Amount" field under confirmation details will contain the requested amount for redemption and 'Quantity Requested' field will not have any quantity. AMC/RTA may process the MF Redemption

request by specifying the requisite number of units at the time of confirmation/rejection based on the applicable NAV. Upon confirmation, the status of the request will be changed to “Partially Confirmed” till AMC/RTA enables “Final confirmation” flag while processing the redemption request.

8) Transferability of MF units

MF units held in dematerialised form can be transferred from one demat account to another demat account including inter-depository transfers.

9) Additional facilities

(I) Mutual Fund Distributors Continuing Professional Education (CPE) Programmes

NSDL conducts various One day CPE programmes for Mutual Fund Distributors at multiple locations for associated persons in securities markets. If the Participants require NSDL to conduct CPE training programmes at any other locations, then an email may be sent at cpe@nsdl.com

10) Discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms

SEBI has discontinued intermediate pooling of funds and/or units in Mutual Fund transactions by stock brokers / clearing members on Stock Exchange platforms and by other entities including online platforms, respectively.³⁹

Back office file formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

Chapter 3- Commercial Papers

As per the RBI guidelines, with effect from July 1, 2001, Banks, Financial Institutions, Satellite Dealers and Primary Dealers have been advised to subscribe to Commercial Paper (CP) only in demat form⁴⁰. The Reserve Bank Commercial Paper Directions, 2017 were issued by RBI on August 10, 2017 and Operational guidelines on Commercial Paper were issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA) on October 5, 2017.⁴¹

A. Online submission of ISIN application for CP issuance⁴²:

Issuer will be able to make an ISIN request for CP issuance to NSDL in expanded time frames and from anywhere directly through internet thereby eliminating the need to submit an ISIN application request in paper form. Issuer may also submit a master creation form (MCF) duly filled and signed by authorized signatories in physical manner to NSDL for allotment of ISIN.

B. Handling of process involved in CP issuance:

NSDL's platform facilitate Issuer, investors and IPAs to undertake CP issuance process online in efficient manner and in accordance with directions and operating guidelines issued by RBI and FIMMDA. Issuer / R&T Agents will be able to initiate the process to credit CP into the investor's demat accounts directly.

C. Facility for IPAs to submit investors' demat account details to NSDL and issuers:

In terms of FIMMDA's operating guidelines for CPs on value date, on receipt of funds from the prospective investor, an IPA is required to provide a list of such investors as per prescribed format to the depository along with issuer/its RTA to credit CPs directly to the investor's demat accounts.

A separate facility enabling IPAs to upload the list in prescribed format through NSDL's issuer portal has been provided. The issuer/R&T Agent will be able to view the details of demat

⁴⁰ Reference Circular No. NSDL/SG/039/2001 Date: August 28, 2001

⁴¹ Reference Circular No.: NSDL/CIR/II/23/2017 dated December 11, 2017 and Circular No.: NSDL/CIR/II/4/2018 dated February 06, 2018

⁴² Reference Circular No.: NSDL/CIR/II/5/2021 dated March 25, 2021

accounts of investors provided by IPAs and initiate the process to credit CPs in such demat accounts of investors as provided by the IPA.

D. Facility for IPAs to download list of investors (Benpos Report) for carrying out Redemption:

FIMMDA's operating guidelines for CPs require that at the request of IPAs, the depositories will furnish the list of investors/holders (Benpos Report) of CP as at the end of working day before the maturity date for carrying out redemption of CP. A facility enabling IPA has been provided on the CP platform to access and download the BENPOS files for CP ISINs handled by them.

Redemption of Commercial Papers⁴³

For redemption of commercial paper, the Reserve Bank Commercial Paper Directions, 2017 issued by RBI on August 10, 2017 and Operational guidelines on Commercial Paper issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA) on October 5, 2017 guidelines envisage the following:

- Redemption of commercial paper to be done directly from the beneficial owner accounts of Investors through corporate action.
- Issuer to authorise IPA to make redemption payment based on the Beneficial Ownership Position (BENPOS) report from Depositories and extinguish Commercial Papers.
- IPA is required as on the previous working day before the maturity date, to request Depositories to give BENPOS report as at the end of that day.
- No transfers to be permitted on maturity date of Commercial Paper.
- Dissemination of Issuing and Paying Agent (IPA) certificate and Letter of Offer for Commercial Paper issued to Investors on NSDL website.⁴⁴

Accordingly, all Issuers / R&T Agents are hereby informed that in order to facilitate the issuers, IPAs and investors to comply with the said guidelines, the following changes are being made by NSDL:

⁴³ Reference Circular No.: NSDL/CIR/II/4/2018 dated February 06, 2018

⁴⁴ Reference Circular No.: NSDL/CIR/II/23/2017 dated December 11, 2017

- 1) As specified in the Operational guidelines on Commercial Paper issued by FIMMDA, the issuer needs to authorize the IPA to request NSDL to carry out the corporate action for extinguishment of CP from beneficial owner's accounts on redemption.
- 2) The IPA will need to submit to NSDL the following:
 - a) A copy of authorization given by the Issuer to IPA for carrying out corporate action for extinguishment of CP on redemption.
 - b) A request to NSDL for extinguishment of CP from beneficial owners' accounts (format of the request is enclosed as Annexure A).
- 3) BENPOS will be auto-scheduled as of the end of the day of previous working day before the maturity date of commercial paper for redemption purpose. In case the last working day before the maturity date is a Sunday or a Depository Module (DM) holiday, the benpos download will be auto-scheduled as of the previous day.
- 4) No transfers will be permitted in commercial paper on or after its maturity date.
- 5) Dissemination of the IPA certificate and Letter of Offer for Commercial Paper submitted to NSDL on its website.⁴⁵
- 6) In order to ensure that the Commercial Papers are extinguished on a timely basis, Issuers/R&T Agents are requested to take note of the following⁴⁶:
 1. On the redemption date of CP, the IPA must send the IPA certificate for redemption of CP units to RTAs for redemption under intimation to NSDL.
 2. Upon receipt of Redemption certificate from IPAs, RTAs are advised to execute Auto Corporate Action on the date of maturity under intimation to NSDL.
 3. Issuers are advised to take note of the above and ensure that the CP are extinguished on the date of redemption and comply with the requirements of RBI Directions and FIMMDA Operational guidelines.

⁴⁵ Reference Circular No.: NSDL/CIR/II/23/2017 dated December 11, 2017

⁴⁶ Reference Circular No.: NSDL/CIR/II/2/2019 dated January 15, 2019

Chapter 4 - Corporate Actions

Corporate Action Procedure⁴⁷

Issuers / Registrar & Transfer Agents (RTAs) are requested to follow the procedure for distribution of securities (non-cash corporate benefits), as given below:

Pre allotment

1. Intimate NSDL immediately after the company fixes the book closure period or the record date, as the case may be.
2. Solicit through your RTAs, the beneficial owners position (Benpos) as of the record date or one day prior to the beginning of the book closure period. (e.g. if the book closure period is July 06, 2001 to July 14, 2001 or the record date is July 05, 2001, the benpos should be solicited in both the cases as of July 05, 2001.)
3. Send option letters as per Rule 12.4.7 of the Business Rules of NSDL to all the shareholders giving them an option to receive their securities in electronic form.

Post allotment

1. As soon as the allotment is completed, provide the details of allotment in the prescribed format.
2. Furnish to NSDL list of DP ids and Client ids of the allottees to whom credit is sought to be effected. This list has to be provided as a text file.
3. After receiving the details from NSDL as mentioned in point 2 above, the Issuer or its RTA should match the names as per the application form/ option letters, as the case may be, with those provided by NSDL. Credits shall be effected only to accounts in "Active" status and to those accounts whose names and order of names as per the application form/ option letters, match with those provided by NSDL. A certificate to the effect that the Issuer / RTA has matched the names should be sent to NSDL.
4. After completing the procedure as mentioned in point no. 3, create a corporate action file (CA file) in the format prescribed by NSDL with the execution date.
5. Ensure that the prescribed documents are submitted to NSDL

⁴⁷ Reference: Circular No : NSDL/SG/034/2001 Date: August 3, 2001

6. Import the CA file into NSDL system by using “Upload/Download” module in NSDL DPM SHR system.
7. Verify the details viz. total allotted quantity, ISIN, Execution Date, debit/ credit indicator etc., from the “Corporate Action Instruction” screen.
8. After verifying that the file uploaded is correct, with the prior consent of NSDL, release the CA file to NSDL which must reach NSDL not later than 5.00 p.m. In case the file is received by NSDL after 5.00 p.m., NSDL does not guarantee release of such corporate action on the same day.
9. Check the status of the released CA file which should change to “Accepted by NSDL”. On the execution date after the bookings are effected at DPs end, the status of the CA file should change to “Closed Settled”. In case the status does not change, report the matter to NSDL.
10. If there are any rejections in the CA file, the Issuer/ RTA after making necessary corrections can upload a CA for such rejected cases.
11. Ensure that an allotment advice is sent to all the allottees who have received credit in their depository accounts.
12. Issue physical certificates to the beneficial owners whose records are rejected due to invalid DP Id / Client Id, invalid account status or mismatch in names.

Name verification/Beneficiary Demographic details (Bendem)

The file containing DP ID, Client ID and ISIN details are uploaded for which name verification /bendem details shall be provided as response file as per the file formats for name verification/bendem details available on intranet site.

- Bendem details for an ISIN can be requested only by the RTA where such ISIN is associated.
- Bendem details for an ISIN can be requested only after NSDL enables the ISIN for bendem details⁴⁸.

Pari Passu

SEBI vide its letter no. SMDRP/NSDL/3254/00 dated February 18, 2000 issued a directive that shares issued by companies should be pari passu in all respects. We request you to note this

⁴⁸ Reference: Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010 NDS Features

requirement and ensure that all issues made by your company in future are pari passu in all respects including dividend entitlement.

SEBI has vide its letter no. MRD/DoP/MC/141442/2008 dated October 17, 2008 clarified that in respect of shares issued by companies under Section 86 (a) (ii) of Companies Act and Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, separate ISIN may be allotted to differentiate such shares from ordinary shares⁴⁹.

Auto Corporate Action⁵⁰

1. A facility in NSDL DPM SHR system to initiate Automatic Corporate Action (ACA) to effect conversion of non pari-passu ISIN to pari-passu ISIN, sub-division of shares, demergers, amalgamations etc.
2. ⁵¹Distribution of entitlements pursuant to bonus/demerger through Automatic Corporate Action (ACA) will be performed in two stages.
 - i. In the first stage, the Issuer/R & T Agent will have to initiate an ACA instruction from the DPM SHR giving the base ISIN and the credit ISIN(s), ratio and the record date. This instruction must be released by the Issuer/R & T Agent on or before the record date.
 - ii. In the second stage, i.e. after allotment of securities, the Issuer/R & T Agent will have to update/cancel bonus ACA the original ACA instruction by mentioning the allotment date and the execution date.

The bonus entitlements would be credited to all the beneficiary accounts on the execution date in the ratio of entitlement. In case of entitlements resulting into fractions, the integer entitlements would be credited to the beneficiary accounts and the fractional entitlements would be reported to the Issuer/R & T Agent. In case of beneficiary accounts that are in status "Closed" in between the record date and the execution date, the corresponding entitlements thereof would not be credited to such accounts and would be downloaded to the Issuer/R & T Agent as rejected bonus entitlements which can be exported to the back office by the Issuer/R & T Agent. Further, Issuers/R & T Agents are required note that the securities held in pending demat status as on record date will not be entitled for bonus entitlements.

⁴⁹ Reference: Circular No. NSDL/CIR/II/027/2008 Date : October 22, 2008

⁵⁰ Reference: Circular No. NSDL/SG/019/2000 Date : July 17, 2000

⁵¹ Reference: Circular No. NSDL/JS/006/2002 Date: March 14, 2002

iii. Issuer/RTA may 'Upload Client Bypass' file which facilitates exclusion of records while processing bonus/demerger ACA. RTA should ensure these records are uploaded after the record date and before the execution of bonus/demerger ACA instruction.

3. Redemption of securities through ACA. This module will automate the redemption procedure for debt instruments whereby NSDL system will initiate and download an ACA fifteen days prior to the redemption/end date of the security (as provided by the Issuer at the time of activation of ISIN) to the concerned Issuer/R & T Agent. After submission of prescribed documents as mentioned in corporate action procedure above, the Issuer/R & T Agent will have to verify/release the redemption ACA so that the balances lying in free status in the beneficiary accounts will be extinguished at the Beginning of Day (BOD) of the execution date. NSDL will automatically download the beneficiary position statement (benpos) as of the End of Day (EOD) of the redemption/end date to the concerned Issuers/R & T Agents. The redemption of securities will not be executed for accounts which are in the status "Suspended for debit and credit", "suspended for debit", suspended at ISIN/quantity level, pledged quantities, quantity held under NDU and locked-in securities. For these cases, the redemption will be initiated during BOD of the next business day on change of status thereof. For incremental changes in the holdings post redemption, NSDL will download the redemption benpos as of EOD of the date on which there is change. Fresh initiation of demat/remat requests by the Participants for debt instruments will be prevented 21 days in advance of the maturity date.

4. ACA initiation in ISINs with different RTAs⁵²

A facility to initiate ACA in ISINs involving different RTAs. The ACA instruction shall be initiated by the Source RTA having the debit ISIN with an execution date. The ACA instruction initiated by the source RTA is available for confirmation with the Target RTA having the credit ISIN. Target RTA after verification may accept/reject the ACA instruction.

ii. Simultaneous Corporate Action ⁵³

⁵² Reference: Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010

⁵³ Reference: Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010

Simultaneous Corporate Action feature has been incorporated to process simultaneous debit and credit corporate actions in a single file.

Balances lying in Clearing Members / Clearing Corporations / Intermediaries⁵⁴

The securities balances lying in the accounts of the Clearing Members / Clearing Corporations / Intermediaries in respect of record dates falling on or after May 7, 2001 (book closure May 8, 2001) will be eligible to receive corporate benefits, SEBI has clarified that the Clearing members, Clearing Corporations as well as the Intermediaries cannot have **voting rights** in respect of securities held in the pool accounts.

Partial Redemption of Debt instruments⁵⁵

In cases of partial redemption of debt instruments, the face value of the security will be changed in the system to reflect the residual value and no separate ISIN will be allotted w.e.f August 1, 2002.

Conversion of Letter of Allotment into debentures/Bonds⁵⁶

In cases of conversion of Letter of allotment (LOA) into debenture/bonds, the description of the security will be changed in the system to reflect the conversion and no separate ISIN will be allotted with effect from July 21, 2003.

IPO of Equity Shares⁵⁷

SEBI has vide Circular No. SEBI/MRD/DEP/Cir-2/06 dated January 19, 2006, in respect of companies issuing shares by way of Initial Public Offer, the concerned ISIN under which the shares would be credited will be suspended at the time of crediting the shares and will be re-activated at the time of commencement of trading on the stock exchanges.

Mandatory requirement of PAN⁵⁸

⁵⁴ Reference: Circular No. NSDL/SG/026/2001 Date: May 14, 2001

⁵⁵ Reference: Circular No. NSDL/JS/031/2002 Date: July 26, 2002

⁵⁶ Reference: Circular No. NSDL/JS/026/2003 Date: July 15, 2003

⁵⁷ Reference: Circular No. NSDL/CIR/II/002/2006 Date: January 27, 2006

⁵⁸ Reference: Circular No.: NSDL/CIR/II/25/2010 Date: August 3, 2010

SEBI vide its Circular No. CIR/MRD/DP/22/2010 dated July 29, 2010 regarding mandatory requirement of Permanent Account Number (PAN) specifies that in order to ensure better compliance with the Know Your Client (KYC) norms, it has been decided that with effect from August 16, 2010 depository accounts which are PAN non-compliant shall also be ‘suspended for credit’ other than the credits arising out of automatic corporate actions. It is clarified that other credits including credits from IPO/FPO/Rights issue, off-market transactions or any secondary market transactions shall not be allowed into such accounts.

IPO for debt securities and Activation of ISIN in case of additional issue of shares/ securities⁵⁹

In terms of SEBI Circular Nos. CIR/MRD/DP/21/2012 dated August 2, 2012 and CIR/MRD/DP/24/2012 dated September 11, 2012, SEBI has directed as follows-

- i. In respect of companies issuing debt securities by way of Initial Public Offer, the concerned ISIN under which the debt securities would be credited will be suspended at the time of crediting the debt securities and will be re-activated at the time of commencement of trading on the stock exchanges.
- ii. with a view to curtail the transfer of additional issue of shares/securities viz. further public offerings, rights issue, preferential allotment, bonus issue, etc., of the listed company, prior to receipt of final listing/ trading approval the Issuer shall credit such additional shares/securities under a new temporary ISIN which shall be frozen by the depositories. Upon receipt of the final listing/ trading permission from the exchange for such additional shares/ securities, the shares/securities credited in the new temporary ISIN shall be debited and the same would get credited in the pre-existing ISIN for the said security.

Transfer of locked-in securities or securities held under suspended ISIN in case of account closure and/ or transmission⁶⁰

The securities which are locked-in by the Issuer or securities held under suspended ISIN in the depository system cannot be transferred from one account to another. In order to facilitate such

⁵⁹ Reference: Circular No: NSDL/CIR/II/23/2012 Date: August 6, 2012 and Circular No: NSDL/CIR/II/27/2012 Date: September 12, 2012

⁶⁰ Reference: Circular No.: NSDL/CIR/II/07/2011 Date: March 7, 2011

transfers, Issuer / R&T Agent and Participants are requested to adhere to the following procedure

(A) In case of Account Closure:

(I) For Participants:

- 1) Participant must request the Client to submit a copy of the Client Master Report of the target account with another Participant where the securities are to be transferred.
- 2) Participant must verify that the target account and source account belong to the same Client. The names and order of names of the accountholders including the PANs in the source account and the target account must match.
- 3) After due verification, the Participant must forward a request to the concerned Issuer/its R&T Agent alongwith copies of Client Master Report of the source account and the target account for execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN.

(II) For Issuers/ R&T Agents:

- 1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to account closure*) in the prescribed format alongwith copy of its latest Reconciliation of Share Capital Audit Report to NSDL.
- 2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division.

(B) In case of transmission:

(I) For Participants:

- 1) Upon submission of all the required documents by the legal heir/legal representatives of the deceased Client, the Participant must verify the documents and execute the transmission in respect of all other securities (if any).
- 2) In respect of securities which are locked-in or held under suspended ISIN, after due verification, the Participant must forward a request to the concerned Issuer/its R&T Agent for

execution of corporate action to effect the transfer of locked-in securities/ securities held under suspended ISIN.

(II) For Issuers / R&T Agents:

- 1) The Issuer must submit a Corporate Action Information Form (*for transfer of locked-in securities or securities held under suspended ISIN due to transmission*) in the prescribed format alongwith copy of its latest Secretarial Audit Report to NSDL.
- 2) For execution of corporate action, the Issuer has to advise its R&T Agent/Registry Division.
- 3) ⁶¹In case the Issuer/R&T Agent is required to use the regular corporate action module, the debit corporate action cannot be effected as the account is suspended for debit and credit for the reason of account closure. Thus, in such cases, to enable the Issuer/R&T Agent to execute the corporate action successfully, the Participant may remove the freeze from accounts for this reason in close co-ordination with the Issuer/R&T Agent. While removing the freeze, Participants must verify that if the account is frozen for any other reason such as statutory order, etc, such freeze must not be removed.
- 4) Issuer are requested to take note of the facility to allow transfer of “locked-in” securities in respect of Account Closure instruction under Account Closure Module intimated vide NSDL Circular No.: NSDL/CIR/II/25/2015 dated November 2, 2015.

Procedure for Collection of Stamp-Duty from Issuers⁶²

1. Issuers shall remit the stamp duty on creation of new security and change in records in the depository upon issue of securities before executing any transactions in the depository system pursuant to Rule 6 of the aforesaid Rules, under clause (c) of sub section (1) of section 9(A) in the Amendment to The Indian Stamp Act, 1899 notified vide gazette notification dated February 21, 2019 effective from January 9, 2020.
2. Issuer shall calculate the stamp duty payable on the allotment list at the total market value of the securities as contained in such list pursuant to issue of securities i.e., any creation or change in the records of a depository at the rates as provided in the Act.
3. Issuer shall remit the stamp duty payable in respect of applicable transactions to NSDL.

⁶¹ Reference: Circular No: NSDL/CIR/II/01/2012 Date: January 3, 2012

⁶² Reference: Circular No.: NSDL/CIR/II/2/2020 Date: January 7, 2020

4. Issuer shall submit the documents pertaining to corporate action (CA) based on list of documents specified by NSDL.
5. Issuer/RTA shall execute the corporate action in NSDL DPM-SHR system in the specified file formats.
6. Based on the intimation of collection of duty provided in the corporate action executed by Issuer/its RTA for issuance or change in records in depository system, stamp duty shall be collected by NSDL.
7. All RTAs are advised to ensure to prepare and upload file of allotment list in respect of corporate action executed in NSDL DPM-SHR system in the prescribed format on I-Assist for mutual fund subscription transactions through stock exchange platform till further change in allotment process prescribed by stock exchanges.
8. ⁶³SEBI has clarified that:
 - a. In case of private placements/ e-IPOs through stock exchange platform, Stamp Duty shall be collected by depository on any creation or change in the records of the depository, pursuant to issue of securities as per section 9A(1)(c) of the Indian Stamp Act, 1899.
 - b. As per Section 21 of the Amended Indian Stamp Act read with section 16B indicates that stamp duty is to be collected on market value which is based on price or consideration involved. In case of Bonus Issue, there is no consideration which means bonus shares are issued free to existing shareholders.
9. ⁶⁴Pursuant to the communication received from SEBI and Ministry of Finance on August 19, 2020, NSDL has been directed not to collect stamp duty for the State of Sikkim till further communication.

Streamlining the Process of Public Issue of Equity Shares and convertibles⁶⁵

Issuers/R&T Agents are requested to take a note and comply with SEBI directions regarding streamlining the process of public Issue of equity shares and convertibles as amended.

⁶³ Reference: Circular No.: NSDL/CIR/II/22/2020 Date: June 30, 2020

⁶⁴ Reference: Circular No.: NSDL/CIR/II/32/2020 Date: August 28, 2020

⁶⁵ Reference: Circular No.: NSDL/CIR/II/31/2018 Date: November 12, 2018

Streamlining the Process of Rights Issue⁶⁶

Issuers/R&T Agents are requested to take a note and comply with SEBI directions regarding Streamlining the Process of Rights Issue.

Usage of electronic payment modes for making cash payments to the investors⁶⁷

Issuers/ R & T Agents are advised regarding usage of electronic payment modes for making cash payments to the investors.

Issuers and R & T agents are advised that companies should mandatorily use electronic payment modes for distribution of dividends and other cash benefits to the investors. However, where electronic mode is not available, companies may use warrants for distribution of dividends. Further, it is advised that companies should mandatorily print the bank account details furnished by the Depositories on the payment instruments.

Back Office File Formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

⁶⁶ Reference: Circular No.: NSDL/CIR/II/09/2020 Date: February 4, 2020

⁶⁷ Reference: Circular No. NSDL/JS/054/2001 Date: December 5, 2001 and Circular No.: NSDL/CIR/II/9/2013 Date: March 22, 2013

Chapter 5 - Transfer of Shares to Demat Account of IEPF Authority⁶⁸

- (a) In terms of Section 124(6) of the Companies Act, 2013 and Rules notified thereunder, the shares in respect of which the dividend has not been paid or claimed for a period of seven years or more, Issuers shall identify the folios/demat accounts and initiate steps as specified in the Companies Act, 2013 and Rules notified.
- (b) Issuer/R&T Agents shall submit documents for executing corporate action in NSDL system in prescribed format.
- (c) Issuer/R&T Agent shall execute debit/credit corporate action using appropriate file format as given below for transfer of shares to IEPF Authority account in NSDL system.
 - a. File **Format Annexure A** shall be used where shares are being transferred from Investors' holding demat account in NSDL Depository System. This format will enable Issuers/R&T Agents to perform simultaneous Corporate Action to debit Investors' demat account with NSDL Depository System and credit demat account of IEPF Authority in NSDL Depository System.
 - b. File **Format Annexure B** shall be used where shares are being transferred from Investors' holding demat account in CDSL Depository System. This format will enable Issuers/R&T Agents to perform Credit Corporate Action to credit demat account of IEPF Authority in NSDL Depository System in respect of those shares which are successfully debited by executing debit Corporate Action in CDSL Depository System.
 - c. File **Format Annexure C** shall be used where shares being transferred/transmitted are held in physical form. This format will enable Issuers/R&T Agents to credit such shares into demat account of IEPF Authority in NSDL Depository System.
- (d) NSDL system, during processing of corporate action, shall reject the debit instruction with appropriate rejection reason where Depository Participant has categorized the freeze reason as statutory pursuant to a specific order of court or Tribunal or statutory authority restraining any transfer of such shares or where such shares are pledged or hypothecated.

⁶⁸ Reference: Circular No.: Circular No.: NSDL/CIR/II/20/2017 Date: November 2, 2017

- (e) Issuers/R&T Agents shall verify the records rejected during the corporate action and initiate steps to execute corporate action where Issuer/RTA identifies the demat accounts where the shares are required to be transferred to IEPF Authority.
- (f) Issuer/RTAs will be provided with a separate facility for downloading restraining order as provided by DPs pursuant to which the debit instruction for transfer to IEPF Authority is rejected by NSDL system.
- (g) In case of cash corporate action, Issuers/RTAs shall provide the dividend details in rupee terms per equity share using facility as provided vide NSDL circular no. NSDL/CIR/II/10/2017 dated July 12, 2017.
- (h) ⁶⁹In respect of shares held in the unclaimed suspense account opened by the company as directed by SEBI, the procedure to be followed for transfer of such shares to demat account of the IEPF Authority held in NSDL system is given below.
 - a. Debit shares held in NSDL system using the normal corporate action file using CA type (0012) and allotment description (0078 - Transfer to IEPF Authority).
 - b. For crediting the shares which are debited as mentioned at point (a) above, file format C as notified vide our aforesaid circular shall be used providing details of the investors whose shares are dematerialized in unclaimed suspense account by the company for transfer of shares to IEPF Authority account.
- (i) ⁷⁰NSDL has developed following reports for Issuers on Issuer Portal:
 - a. IEPF Holding report: The report provides the list of beneficiaries/beneficial owners in an ISIN whose securities are transferred by Issuer to IEPF and are held in the IEPF account as on a particular date.
 - b. IEPF Transfer MIS report: The report provides the details of securities in an ISIN that are transferred to the beneficiary/beneficial owner by IEPF Authority. The aforesaid reports shall be charged on download basis to Issuers as per charge structure given below:
- (j) Charge Structure

⁶⁹ Reference: Circular No.: NSDL/CIR/II/21/2017 Date: November 24, 2017

⁷⁰ Reference: Circular No.: NSDL/CIR/II/04/2022 Date: March 07, 2022

1. IEPF Holding report “Fee of Rs.10,000 per ISIN per month would be charged” or “Issuer can pay Annual Subscription Fee of Rs. 1,00,000 for unlimited download in a Financial Year”.
2. IEPF Transfer MIS report “Fee of Rs. 2000 per request for records upto 5000 and a fee of Rs. 5000 per request for records above 5000” or “Issuers can pay Annual Subscription fee of Rs. 20,000 for upto 5000 records and Rs. 50,000 for more than 5000 records for unlimited download in a Financial Year”.
3. Annual Subscription For annual subscription, Issuer shall forward the duly filled and signed subscription form as per Annexure D to email ID issuerprofile@nsdl.com.

Back Office File Formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

Chapter 6 - Beneficiary Position Statement (BENPOS)

1. ⁷¹The Issuer or its Registrar & Transfer Agent shall intimate the Depository on the next day of communication to the relevant stock exchange where the eligible security is listed, of the corporate actions which would herein mean and include any action taken by the Issuer relating to prescribing dates for book closures, record dates, dates for redemption or maturity of security, dates of conversion of debentures, warrants, call money dates and such other action from time to time.
2. ⁷²The Depository shall provide the details of the holdings in the accounts of the Clients/Clearing Members/Clearing Corporations electronically to the Issuer or its Registrar and Transfer Agent as of the relevant record date/book closure for the purpose of corporate actions and distribution of corporate benefits.

Beneficiary Position Statement (Benpos)⁷³

i. Priority for Benpos Download

A facility to allocate priority for benpos download is being provided. For setting the priority, RTA shall create a Group ID and allocate the priority for download.

- Benpos will be generated first for those group having highest priority e.g. Priority 1 is Highest Priority and 99999 is Lowest Priority. This Priority may be set by RTA at the time of group creation.
- ISIN can be included only in one group.
- Download of benpos will start only after benpos of all the ISINs in a group are generated.
- Benpos download shall be provided Group ID wise.
- Benpos is also made automatically available through a File download utility for faster downloads.
- Facility to download ISIN wise benpos through benpos history screen.

⁷¹ Business Rule 12.4.1

⁷² Business Rule 12.4.4

⁷³ Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010

ii. **Signature download**⁷⁴

A new facility for downloading signature is provided. RTA may request for signature download of the beneficial owners in an ISIN as on a record date. The download request shall be downloaded through the file download utility as well as available from DPM-SHR system through the link Uploads/Downloads → Signature Download.

iii. ⁷⁵As per the suggestion of the members of RAIN, a facility to download short/mini benpos has been made available in NSDL DPM SHR system.

iv. ⁷⁶Issuers/R&T Agents are advised to note that whenever a benpos request is solicited from the DPM (SHR) System for non - statutory purposes, the reason for benpos solicitation should be recorded as “**Special Benpos**”.

Interest and Dividend information reporting in case of Custodial Accounts- Rule 114G(1)(e) of the Income Tax Rules, 1962⁷⁷

SEBI has advised that Depositories shall provide additional field in the depository system to the RTAs whereby the RTAs can incorporate the details of corporate action viz. dividend/interest in rupee terms per unit of the security at the time of setting up of corporate action.

- 1) The Interest and Dividend information entitlement is required to be uploaded for all securities where the cut-off date or record date or one day prior to the book closure start date is on or after January 1, 2015.
- 2) the Issuers/ R&T Agents seeking to receive the beneficial ownership information (benpos) from NSDL, then, the Issuers/R&T Agents must provide the interest and dividend entitlement information alongwith the request for benpos.
- 3) In case the cut-off date, record date or one day prior to book closure start date happens to fall on a Friday or a quarter end for which NSDL is providing the beneficial ownership position (benpos), Issuers/R&T Agents are still required to upload the interest and dividend details for all Issuers in the DPM-SHR screen.

⁷⁴ Circular No.: NSDL/CIR/II/41/2010 Date: December 15, 2010

⁷⁵ Circular No. NSDL/SG/022/2000 Date : August 18, 2000

⁷⁶ Circular No : NSDL/JS/036/2003 December 17, 2003

⁷⁷ Circular No.: NSDL/CIR/II/10/2017 Date: July 12, 2017 and Circular No.: NSDL/CIR/II/11/2017 Date: July 15, 2017

- 4) In case the cut-off date, record date or Book Closure date happens to be common for different income details for the same security, Issuers/R&T Agents are required to provide the income details separately for different types viz; interim, special, regular, final, etc.
- 5) In case of differential interest/dividend details are applicable based on investor class in the same ISIN, then Issuers/R&T Agents are required to provide relevant information for every investor class separately by selecting the appropriate option and provide relevant details.

NSDL's Tax service – Facility for submission of documents for institutional investors to Issuers/RTAs for claiming NIL/low tax deduction from dividend income⁷⁸.

In accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder, dividend declared and paid by a Company after April 1, 2020, is taxable in the hands of shareholders. A Company is required to deduct the tax at source (“TDS”) on the distribution of dividend income to its shareholders at the applicable rates. The rate for deducting TDS may vary depending on the residential status of the shareholder and the documents submitted to a Company in accordance with the provisions of the Income Tax Act, 1961. Certain category of institutional investors such as Mutual Funds, Insurance Companies, Foreign Portfolio Investors, Alternative Investment Funds, etc. are exempted or taxed at a concessional rate in terms of the Income Tax Act, 1961. The institutional investors are required to submit information and documents to the Company through their custodians within prescribed timelines in order to determine the applicability and rate of TDS. In order to make it convenient for issuers, RTAs and institutional investors, NSDL has developed a platform to facilitate the custodians to upload the required information and documents on behalf of institutional investors which can be accessed or downloaded by the issuers and their RTAs. This service is enabled for all listed issuers and such information and documents is made available to the issuers/RTAs. For issuers, it is available through the issuer portal. For RTAs, it is made available alongwith the beneficiary position (benpos) as of the record date for dividend. When the RTA sets up a request for benpos with event description as ‘Dividend’ in the eDPM-SHR system, the said information and documents is available for download alongwith the benpos.

⁷⁸ Circular No.: NSDL/CIR/II/03/2023 dated January 11, 2023

The issuers are requested to inform its shareholders about the availability of NSDL's tax services and incorporate the following paragraph in their intimation/communication to be sent its shareholders before the record date in respect of deduction of tax at source (TDS) on dividend. The said paragraph can be suitably amended as per issuers' requirements.

“The Resident Non-Individual Members such as Insurance companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members such as Foreign Portfolio Investors may submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines.”

Back Office File Formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

Chapter 7 - Distinctive Number Database⁷⁹

Operational guidelines regarding Database for Distinctive Number (DN) of Shares⁸⁰

A. Upload of DN details - as on cut-off date

1. Issuers/R&T Agents shall download the details of the quantities as provided by Stock Exchange (SE) having nationwide trading terminals viz., quantity of shares for which it has issued final trading approval/dealing permission, quantity of shares for which it has issued in-principle approval but final trading approval/dealing permission is awaited and total number of equity shares as on cut-off date i.e. **September 30, 2015**.
2. Issuers/R&T Agents shall verify the details of the quantities as received from all the stock exchanges with its records.
3. In cases of companies where quantity of shares as per Issuers/R&T Agents records match with the details as received from all the stock exchanges as on cut-off date:
 - a. Issuers/R&T Agents shall retrieve the DN details from their records, as per the prescribed file formats.
 - b. Issuers/R&T Agents shall validate format of the files containing DN details in the prescribed file formats using the File Validation and consolidation utility. Issuers/R&T Agents can refer to the user manual for further details.
 - c. The authentication and consolidation of the file using the utility carries out the following functions:
 - i. Validation of the file with respect to the format to be uploaded in the DN database.
 - ii. Consolidation of the file by aligning the details of Distinctive Numbers pertaining to physical and demat shares having continuous DN for physical and dematerialised shares. The consolidated file will be provided in a separate output folder. For example if a series of shareholders are holding shares in physical form then the utility shall consolidate a continuous DN range as “physical” and similarly continuous DN range for shares that are dematerialised shall be consolidated as “Demat”.

⁷⁹ Circular No. NSDL/CIR/II/16/2015 Date June 10, 2015

⁸⁰ Circular no. Circular No.: NSDL/CIR/II/23/2015 Date: September 30, 2015

- iii. Providing the summary report having control details of input file and consolidated file.
 - d. Issuers/R&T Agents shall verify the details of the summary report before uploading the consolidated file in the DN database.
 - e. Issuers/R&T Agents have a provision for uploading the DN details in a single/incremental file. It is recommended that the Issuers/R&T Agents complete the upload of DN details in a single file matching the quantity as provided by stock exchange. A single file should include 25,000 DN records.
 - f. In case, Issuers/R&T Agents intends to upload incremental file for an ISIN, then Issuers/R&T Agents have to ensure that the stock exchange wise details as provided in the summary file of the file consolidation utility matches with the details provided by the stock exchange.
 - g. Issuers/R&T Agents shall request NSDL for facilitating any update in the details subsequent to uploading the matched DN details as on cut-off date.
4. In cases of companies where the quantity of shares as per the Issuers/R&T Agents records do not match with the details as received from all the stock exchanges as on cut-off date:
- a. Issuers/R&T Agents shall inform NSDL regarding the mismatch in details as per its records with the details as received from all the stock exchanges indicating the mismatch in quantity and the respective stock exchange.
 - b. Issuers/R&T Agents shall initiate steps to reconcile the mismatch in details with the respective stock exchange as per SEBI circular No. CIR/MRD/DP/10/2015 dated June 5, 2015.
 - c. After the reconciliation of the mismatched details with the stock exchanges, Issuers/R&T Agents shall intimate the same to NSDL and shall upload DN details in respect of such Issuers.

B. Upload of DN details - After the cut-off date

- 1. Issuers/R&T Agents shall upload DN details for any further issuance in the database.
- 2. Issuers/R&T Agents shall upload the DN details of the issuance in the prescribed format in DN database with the holding flag as “Physical” along with appropriate “Issue Description”/”Flag for status of DN Range”.

3. Issuers/R&T Agents shall upload DN details in the new ISIN of the company that has sub-divided/consolidated the face value of equity shares two days prior to the execution of corporate action.
4. Issuers/R&T Agents shall provide/update code for the "Flag for status of DN Range" of the DN details as follows

Code	Flag for status of DN Range	Description	Remarks
1	Final trading permission is available	DN details where the final trading permission is available	
2	Final trading permission is awaited	DN details where the final trading permission is awaited	
3	Cancelled	DN details status is cancelled after cut-off date	To be uploaded/updated by the Issuers/R&T Agents for confirmation by the stock exchange(s)
4	Forfeiture	DN details status is forfeited after cut-off date	To be uploaded/updated by the Issuers/R&T Agents for confirmation by the stock exchange(s)
5	Abeyance	DN details status is marked as abeyance after cut-off date	To be uploaded/updated by the Issuers/R&T Agents for confirmation by the stock exchange(s)
6	Buyback	DN details status cancelled pursuant to buyback of shares by the company after cut-off date	To be uploaded/updated by the Issuers/R&T Agents for confirmation by the stock exchange(s)
7	Direct Listing	DN details provided pursuant to direct listing on stock exchange having nationwide trading terminals after cut-off date	To be uploaded/updated by the Issuers/R&T Agents with the Nature of ISIN as "Permanent" on the date of listing and before the trading effective date for confirmation by the stock exchange(s)
8	Initial Public Offer	DN details provided pursuant to Initial Public Offer upon listing on stock exchange having nationwide trading	To be uploaded/updated by the Issuers/R&T Agents after the execution of credit corporate action with the Nature of ISIN as "Permanent" before the date of

		terminals after cut-off date	listing for confirmation by the stock exchange(s)
9	ESOP	DN details provided pursuant to ESOP allotment with holding flag as “Physical” after cut-off date	
99	Miscellaneous	For future use, if any	

C. Dematerialisation/Rematerialisation in respect of ISINs for which DN details are uploaded in database

1. Issuers/R&T Agents shall receive the documents for Dematerialisation/Rematerialisation from Depository Participants and the electronic details of the dematerialisation (demat)/rematerialisation (remat) requests, in the NSDL DPM-SHR system as per the existing dematerialisation/rematerialisation procedure.
2. Issuers/R&T Agents shall provide DN details at the time of confirmation of the demat/remat request in the NSDL DPM-SHR system in respect of the ISINs where DN details available in the DN database thus changing the type of holding of the specified DNs in the DN database from physical to demat and vice-versa on successful confirmation.

D. Corporate action (after the cut-off date)

1. Issuers/R&T Agents shall upload DN details with holding type as ‘Physical’ for any further issuance in the DN database.
2. Issuers/R&T Agents shall be enabled to execute corporate actions in the respective ISINs in NSDL DPM-SHR system based on respective approval dates provided by the Stock Exchange(s) in database.
3. Issuers/R&T Agents shall provide DN details for the shares being credited in respect of the ISINs where DN details are available in DN database in NSDL DPM-SHR system as follows
 - a. In the prescribed file formats for Normal Corporate Action
 - b. On the ACA screen for Auto Corporate Actions

- c. In the prescribed file formats for debit/Credit ISINs for Simultaneous Corporate Action
- d. The type of holding in respect of DN details provided in the corporate action shall be changed from physical to demat in seriatim (DNR sequence) on successful execution of corporate action in NSDL system

Back Office File Formats

File formats in respect of the back office batch interface with the DPM-SHR provided at the NSDL Intranet site (<https://i-assist>) at File Formats→Back Office→Back office file formats - New DPM SHR System.

Systemic check using distinctive numbers database in corporate actions executed between depositories⁸¹

In consultation with SEBI, it has been decided to introduce systemic check using database of distinctive numbers while executing corporate action between depositories i.e., for any corporate actions where corporate action credits are to be effected in a depository after corporate action debits are successfully executed in the other depository. Accordingly, Issuers/R&T Agents are advised as follows:

1. Issuer/R&T Agents shall ensure to use the details i.e., CA Type Code, Allotment Description Code and Flag for status of DN Range as specified in Annexure A for specified corporate action transaction.
2. While executing debit corporate action in respect of accounts in NSDL, Issuer/R&T Agents shall provide details as per Annexure A for specified debit corporate action transaction. Upon effecting of debits in respect of accounts in NSDL, the said information will be provided to CDSL through the DN database.
3. While executing credit corporate action in respect of accounts in NSDL consequent to debits effected in CDSL, the Issuer/R&T Agents shall provide the details as per Annexure A for the credit corporate action after verifying that the debits are effected in accounts in CDSL. In case such details are not matched, such credit corporate action shall be rejected and the reasons will be notified.

Action against non-compliant companies⁸²

SEBI has vide its Circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/87 dated August 1, 2019 has directed action against non-compliant companies in respect of SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015 regarding Database for Distinctive Number (DN) of Shares. SEBI has inter alia further directed to freeze all related corporate benefits on the Beneficiary Owner a/c frozen in respect of promoters and directors of such non-compliant companies.

⁸¹ Circular No.: NSDL/CIR/II/27/2021 Date: October 11, 2021

⁸² Circular No.: NSDL/CIR/II/20/2019 Date: August 6, 2019

Chapter 8 - System-driven disclosures in securities market

SEBI has decided system driven disclosure shall pertain to the following disclosures:⁸³

- SEBI (SAST) Regulations, 2011 for Promoters, members of Promoter Group and non-promoters (whose combined shareholding is more than 5% in the company).
- Regulation 7(2) of PIT Regulations for promoters, member(s) of promoter group and designated person(s) and directors of a company.

A. Appointing a Designated Depository⁸⁴:

The listed company shall appoint one of the depositories as its designated depository and shall provide the information including PAN / Investor's Demat account number(s) (in case of PAN exempt entities) of Promoter(s), member(s) of the promoter group, directors and designated person(s) of a company to designated depository.

For appointing NSDL as designated depository for purpose of making disclosure, the listed company shall submit a consent letter to NSDL duly signed by the Company Secretary or the authorised signatory of the company. Such consent can also be given electronically after logging into the issuer services portal.

B. Submission of details pertaining to Promoters, members of the promoter group, designated persons and directors of listed companies:⁸⁵

- Listed company shall login to NSDL's issuer services portal viz; <https://issuer.nsdl.com> to provide information including PAN / Investor's Demat account number(s) (in case of PAN exempt entities) of Promoter(s), member(s) of the promoter group, directors and designated person(s) of a company.
- Listed companies can provide the aforesaid information to NSDL through issuer services portal for below mentioned categories/Level.

⁸³ Reference: Circular No.: NSDL/CIR/II/27/2015 Date: December 14, 2015, Circular No.: NSDL/CIR/II/19/2018 Date: June 8, 2018, Circular No.: NSDL/CIR/II/33/2020 Date: September 11, 2020 and Circular No.: NSDL/CIR/II/37/2020 Date: September 30, 2020

⁸⁴ Reference: Circular No.: NSDL/CIR/II/19/2018 Date: June 8, 2018

⁸⁵ Reference: Circular No.: NSDL/CIR/II/33/2020 Date: September 11, 2020

Code	Category / Level
1	Director
2	CEO with Directorship
3	CEO – without Directorship
4	Employees upto two levels below CEO
5	Promoter
6	Promoter Group
7	Other Designated Person

- Any change in the details of Promoters / members of the promoter group/ designated persons/ directors of the listed company must be provided to the designated depository on the same day.

Sharing of PAN data and details pertaining to transactions and holdings ISINs of listed equity shares /debt securities of listed companies

- The designated depository shall share the information including PAN / Investor's Demat account number(s) (in case of PAN exempt entities) of Promoter(s) received from the listed company with other depository and exchanges where the equity shares are listed.
- For disclosures under SEBI SAST Regulations, NSDL will provide to exchanges the transactions and holding details in the ISINs of equity shares of listed companies in identified demat accounts of Promoters, members of Promoter group and non-promoters (whose combined shareholding is more than 5% in the company) at the End of Day (EOD). In case there are no transactions in these demat accounts, only holding positions will be provided at EOD.
- As regards disclosures under SEBI PIT regulations, NSDL will provide to exchanges transactions and holdings details in the ISINs of equity shares of listed companies and their listed debt securities in identified demat accounts of Promoters, members of Promoter group, directors and designated persons. In case there are no transactions in these demat accounts, only holding positions will be provided at EOD. NSDL shall provide the following data pertaining to the tagged Demat account(s) to the stock exchanges on daily basis:

- Details of transactions for pledge/revocation/invocation of shares and
- other encumbrances such as NDU etc. of the entities.
- Details of off market transactions of the entities.
- Details of transmission of shares of the entities.
- Details of corporate actions such as ESOPs, Bonus, Rights, etc. of
- the entities
- Additionally, details of market transfers in case of PAN Exempt entities.

Chapter 9 - Facility for providing exemption/removal of Designated Persons (DPs) during trading window closure period on NSDL issuer portal.

Framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”)

⁸⁶SEBI vide its Circular No. SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107 dated Aug 5, 2022 regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) issued Framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level.

⁸⁷Operational guideline for defining / updating the ‘Trading Window Closure Period’ i.e. ‘Commencement Date’ and ‘End Date’

1. Review of Designated Persons list as available on Issuer Portal:

As per SEBI circular dated August 05, 2022, Designated Depository (DD) appointed by the listed company/Issuers shall auto-populate PAN and name of the Designated Persons (DPs) as per the last updated information under system-driven disclosure (SDD) uploaded by the Issuer with DD.

Accordingly, Listed Issuer after log-in to NSDL Issuer Portal, shall review the list of existing designated persons updated in NSDL Issuer portal under SDD by clicking on “Company Profile” → “Trading Window Closure” → “Define / Update Trading Window Closure Period” as exhibited below

NSDL National Securities Depository Limited
ISSUER SERVICES

Company Profile

System Driven Disclosure

Trading Window Closure

Define / Update Trading Window Closure Period

View Details of Demat Accounts (Held With NSDL) Considered For Trading Window Closure

Reports

Profile

DEFINE / UPDATE TRADING WINDOW CLOSURE PERIOD

Issuer Code* 1AB2 Issuer Name ABC COMPANY LIMITED

ISIN CONSIDERED FOR TRADING WINDOW CLOSURE

ISIN H Y	Security Type H Y	Updated Date Time H Y
INEXX123XXP1	Equity Shares	09-07-2022 19:21:26

Note: Above Equity share ISIN is considered for trading window closure as per intimation received from stock exchanges.

DOWNLOAD LIST OF DESIGNATED PERSON UPDATED IN SDD

2. Addition/deletion of Designated Persons (DPs):

⁸⁶ Circular No.: NSDL/CIR/II/25/2022 Date: August 10, 2022

⁸⁷ Circular No.: NSDL/CIR/II/31/2022 Date: September 21, 2022

Addition/deletion of designated persons (DPs) as authorised by the compliance officer of the Issuer may be updated as follows:

- i. **Addition of DPs under SDD:** To add new DPs (in list of existing DPs), user shall click on “Company Profile” → “System Driven Disclosure” → “Add promoter / Designated Person Details” tab and “Add” the DP as exhibited below:

ADD PROMOTER / DESIGNATED PERSON DETAILS - ADD NEW

Issuer Code: 1AB2 | Issuer Name: ABC COMPANY LIMITED

PAN: | Promoter/Director/Designated Person Category: | Promoter / Director / Designated Person Name: | Director Identification Number (DIN):

Depository (NSDL / CDSL): | Pan Exempt: ☐ | Effective Date(dd/mm/yyyy):

Save

Name of Promoter / Director / Designated Person	PAN of Promoter / Director / Designated Person	Category / Level (Promoter / Director / Designated Person)	DIN	DPID	Client ID	Depository for DP ID - Client ID (NSDL / CDSL)	Status	Effective Date	ITD PAN Verification Status	ViewDetails
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- ii. **Deletion of Designated Persons (DP) under SDD:** To delete the existing DP (from list of existing DPs), user will have to click on “Company Profile” → “System Driven Disclosure” → “View / delete Promoter / Designated Person Details” and “Delete” as exhibited below:

VIEW/DELETE PROMOTER / DESIGNATED PERSON DETAILS

Issuer Code: 733E | Issuer Name: NTPC LIMITED

PAN: | DP ID: | Client ID: | **Search** **Reset**

Name of Promoter / Director / Designated Person	PAN of Promoter / Director / Designated Person	Category / Level (Promoter / Director / Designated Person)	DIN	DPID	Client ID	Depository for DP ID - Client ID (NSDL / CDSL)	Status	Effective Date	ITD PAN Verification Status	Rejection Reason
V Adishesu Naik	AZRPN0785F	Other Designated Person					Captured	01-10-2020		
RANJAN PRAKASH THAKUR	AABPT1513A	Other Designated Person					Captured	01-10-2020		
TRISHALJIT SETHI	AUSP92133C	Other Designated Person					Captured	01-10-2020		

3. Setting up ‘Trading Window Closure Period’:

- i. **Initiation of trading window closure period for a quarter :**

User shall,

- a. Click on “Company Profile” → “Trading Window Closure” → “Define / Update Trading Window Closure Period”.

- b. Provide 'Commencement date' and 'End date' of trading window closure period for Designated Persons by clicking on 'Calendar' icon and click "Submit" as exhibited below.
- c. Upon submission of request a message *"Your request for trading window closure of designated persons has been successfully accepted"* will be displayed on the screen.
- d. Based on trading window closure period details provided by the issuer, depositories shall initiate freeze on concerned ISIN in the demat account(s) of Designated Persons held with Depositories which were identified against the PAN of Designated Persons across holders (i.e. sole/Joint Holder) on T-Day (i.e., commencement date of trading window closure period provided by the Issuer).

NSDL National Securities Depository Limited
ISSUER SERVICES

Company Profile

System Driven Disclosure

Trading Window Closure

Define / Update Trading Window Closure Period

View Details of Demat Accounts (Held With NSDL) Considered For Trading Window Closure

Reports

ISIN CONSIDERED FOR TRADING WINDOW CLOSURE

ISIN II Y	Security Type II Y	Updated Date Time II Y
INEX123XXP1	Equity Shares	09-07-2022 19:21:26

Note: Above Equity share ISIN is considered for trading window closure as per intimation received from stock exchanges.

DEFINE / UPDATE TRADING WINDOW CLOSURE PERIOD [DOWNLOAD LIST OF DESIGNATED PERSON UPDATED IN SDD](#)

Commencement Date of Trading Window Closure Period (ISIN Level Freeze Start Date) **End Date of Trading Window Closure Period (ISIN Level Freeze End Date)**

DD/MM/YYYY DD/MM/YYYY

☒ We authorize designated depository to execute ISIN level freeze in concerned securities held in the demat accounts of designated person for the Trading Window Closure Period and also to share the details of designated person with other depository and stock exchanges.

Modify **Submit**

ii. Pre-ponement / postponement of trading window closure end date (already initiated for a quarter):

If required, Issuer's may prepone/postpone the trading window closure period end date provided earlier on NSDL Issuer portal by clicking on *"Company Profile"* → *"Trading Window Closure"* → *"Define / Update Trading Window Closure Period"* and click on *"Modify"* as exhibited below. Upon clicking on *"Modify"* button, the trading window closure *"End date"* will be enabled for modification.

NSDL National Securities Depository Limited
ISSUER SERVICES

Company Profile

System Driven Disclosure

Trading Window Closure

Define / Update Trading Window Closure Period

View Details of Demat Accounts (Held With NSDL) Considered For Trading Window Closure

Reports

Issuer Code* 1AB2 Issuer Name ABC COMPANY LIMITED Quarter Ended September 2022

ISIN CONSIDERED FOR TRADING WINDOW CLOSURE

ISIN H Y	Security Type H Y	Updated Date Time H Y
INEXX123XXP1	Equity Shares	09-07-2022 19:21:26

Note: Above Equity share ISIN is considered for trading window closure as per intimation received from stock exchanges.

DEFINE / UPDATE TRADING WINDOW CLOSURE PERIOD [DOWNLOAD LIST OF DESIGNATED PERSON UPDATED IN SDD](#)

Commencement Date of Trading Window *
Closure Period
(ISIN Level Freeze Start Date) 01/10/2022

End Date of Trading Window Closure *
Period
(ISIN Level Freeze End Date) 15/10/2022

☒ We authorize designated depository to execute ISIN level freeze in concerned securities held in the demat accounts of designated person for the Trading Window Closure Period and also to share the details of designated person with other depository and stock exchanges.

Modify **Submit**

4. Report on list of Demat accounts (held with Participants of NSDL) of Designated Persons where the ISIN level freeze imposed based on trading window closure period provided by Issuer:

Once the trading window closure period is initiated by Issuer by following the procedure mentioned at point no.3 above, Issuers will be able to view/download the details of Demat accounts (held with Participants of NSDL) considered for security (ISIN) level freeze during trading window closure period along with status (*i.e. Freeze Captured, Freeze Initiated, Unfreeze Initiated and Unfrozen*) on Issuer portal. This report shall be available with effect from one trading day prior to the commencement of trading window closure date (T-1 day).

Issuers should view/download the aforesaid report available at “Company Profile” → “Trading Window Closure” → “View Details of Demat Accounts held with NSDL considered for Trading Window Closure Period” tab as exhibited below:

NSDL National Securities Depository Limited
ISSUER SERVICES

Company Profile

VIEW DETAILS OF DEMAT ACCOUNTS (HELD WITH NSDL) CONSIDERED FOR TRADING WINDOW CLOSURE

Issuer Code * 1AB2 Issuer Name ABC COMPANY LIMITED

Freeze Start Date DD/MM/YYYY Freeze End Date DD/MM/YYYY Status Select

PAN DP ID Client ID

ISIN

Search Download Demat accounts

ISIN IT Y	PAN IT Y	Name as Provided by Issuer IT Y	DP ID IT Y	Client ID IT Y	Name of 1st Holder in Demat Account IT Y	Freeze Start Date IT Y	Freeze End Date IT Y	Freeze Instruction ID IT Y	Status IT Y
INE01A01CN9	ABCD1232K	ABC Limited	INXXXXXX	12345678	ABC Limited	18-07-2022	26-08-2022	1000000000000001	Freeze Initiated
INE01A01CN9	ABCD1232K	ABC Limited	INXXXXXX	87654321	ABC Limited	18-07-2022	26-08-2022	1000000000000002	Freeze Initiated
INE01A01CN9	ABCD1232K	XYZ Limited	INXXXXXX	12345678	XYZ Limited	18-07-2022	26-08-2022	1000000000000003	Freeze Initiated
INE01A01CN9	ABCD1232K	XYZ Limited	INXXXXXX	87654321	XYZ Limited	18-07-2022	26-08-2022	1000000000000004	Freeze Initiated
INE01A01CN9	ABCD1232K	XYZ Limited	INXXXXXX	12345678	XYZ Limited	18-07-2022	26-08-2022	1000000000000005	Freeze Initiated

Issuers are advised to intimate Designated Persons regarding the trading window closure period and freezing of concerned ISIN in their demat account(s).

88 Facility for providing exemption to Designated Persons during trading window closure period on NSDL issuer portal

To provide exemption/ remove specific DP during trading window closure period, user will have to click on “Company Profile” → “Trading Window Closure” → “View / Modify / Define Trading Window Closure Period for Designated Person” as exhibited below:

NSDL National Securities Depository Limited
ISSUER SERVICES

Company Profile

VIEW / MODIFY / DEFINE TRADING WINDOW CLOSURE PERIOD FOR DESIGNATED PERSON

Issuer Code 1AB2 Issuer Name ABC COMPANY LIMITED Quarter Ended Select

PAN DP ID Client ID

Freeze Start Date DD/MM/YYYY Freeze End Date DD/MM/YYYY Exemption Flag Select

Reset Search

Name of Designated Person IT Y	PAN of Designated Person IT Y	DP ID IT Y	Client ID IT Y	Depository Indicator (NSDL/NSDL) IT Y	Freeze Start Date IT Y	Freeze End Date IT Y	Exemption Flag IT Y	Exemption Start Date IT Y	Exemption End Date IT Y	Reason IT Y	Updated Date & Time IT Y	Action IT Y
ABC	ABCD1232K				10-10-2022	29-12-2022				View	14-12-2022 20:22:21	Modify
XYZ		INXXXXXX	12345678	NSDL	10-10-2022	30-12-2022	Y	16-12-2022	19-12-2022	View	14-12-2022 20:20:18	Modify
PQR		01234567	87654321	CDL	10-10-2022	30-12-2022	Y	16-12-2022	19-12-2022	View	14-12-2022 20:09:00	Modify

On “View / modify / define trading window closure period for Designated Person” screen, user will have to search the specific DP (for which changes are required to be made) based on PAN (or DP ID-Client ID in case of pan exempt cases) as exhibited above. Once the required DP is displayed on screen, user will have to click on “[modify](#)”

button available in the “Action” column as exhibited above. Upon clicking “[modify](#)” button, below mentioned two options will be displayed through which user will be able to provide exemption to any specific DP or remove any specific DP from trading window closure period as mentioned below:

i. Remove DP during Trading Window Closure Period:

In order to remove any DP from trading window closure period, user will have to tick the check box ☒ namely “Remove Designated person from existing trading window closure period” available on screen as exhibited below. Upon clicking “Remove Designated person from existing trading window closure period” check box, calendar field will get enabled on screen. In calendar field, user will have to select/define the ‘Revised trading window end date’ i.e., the date from which the DP need to be removed from the trading window closure. User will also require to mention the reason for removal of DP from trading window closure in ‘Reason’ field and click on ‘Submit’ button as exhibited below:

The screenshot shows the 'MODIFY' page for defining trading window closure period for a designated person. The page has a blue header with the text 'VIEW / MODIFY / DEFINE TRADING WINDOW CLOSURE PERIOD FOR DESIGNATED PERSON'. Below the header, there is a 'MODIFY' button. The form contains several fields: 'Issuer Code *' (001A), 'Issuer Name' (ABC Ltd.), 'PAN *' (AXXXXXXXX), 'Designated Person Name *' (PQR XYZ STU), 'Depository (NSDL/CDSL)', 'DP ID', and 'Client ID'. A red box highlights the 'Remove Designated Person From Existing Trading Window Closure Period' section, which includes a checked checkbox, 'Existing Trading Window Commencement Date *' (01/10/2022), 'Revised Trading Window End Date *' (15/10/2022) with a calendar icon and a note '(Unfreeze will be effected on T+2 days)', and 'Reason *' (ABC). Below this section is a checkbox for 'Define Trading Window Exemption Period'. At the bottom right, there are 'Close' and 'Submit' buttons, with a hand icon pointing to the 'Submit' button.

Upon clicking on ‘Submit’ button, request for removal of DP from trading window closure will be submitted to NSDL.

Issuers shall provide the aforesaid request at least 2 trading days in advance (T-2) on NSDL Issuer Portal. E.g., if Issuer intent to remove any DP from trading window closure on January 13, 2023, then Issuer need to give aforesaid request on January 11, 2023. Based on request from Issuer, the change i.e., de-freeze/removal of trading restriction for DP shall be affected on January 13, 2023.

ii. Provide exemption to DP during Trading Window Closure Period:

In order to provide exemption to any DP from trading window closure period (for specific period during trading window closure period), user will have to tick the second check box ☒ namely “Define trading window exemption period” as exhibited below. Upon clicking “Define trading window exemption period” check

box, calendar field will get enabled on screen. In calendar field, user will have to select/define the ‘trading window exemption start date’ and ‘trading window exemption end date’ i.e. the date during which the DP need to be exempted from the trading window closure. User will also require to mention the reason for exemption to DP from trading window closure period under ‘Reason’ field and click on ‘Submit’ button as exhibited below:

VIEW / MODIFY / DEFINE TRADING WINDOW CLOSURE PERIOD FOR DESIGNATED PERSON

MODIFY

Issuer Code * 001A Issuer Name ABC Ltd.

PAN * AXXXXXXXX Designated Person Name * PQR XYZ STU

Depository (NSDL/CDSL) DP ID Client ID

☐ Remove Designated Person From Trading Window Closure Period

☒ Define Trading Window Exemption Period

Trading Window Exemption Start Date * 7/01/2023 Trading Window Exemption End Date * 9/01/2023 Reason * ABC

(Unfreeze will be effected ON T+2 days)

Close Submit

Upon clicking on ‘Submit’ button, request for exemption of DP from trading window closure period will be submitted to Designated Depository.

Issuers shall provide the aforesaid request at least 2 trading days in advance (T-2) on NSDL Issuer Portal e.g the trading window closure period is January 01 to 15, 2023 and an exemption to be provided to a DP from trading window closure period from January 7, 2023 to January 9, 2023, then Issuer shall select/define the ‘trading window exemption start date’ as January 7, 2023 and ‘trading window exemption end date’ as January 9, 2023 on T-2 day i.e. January 05, 2023. Based on request from Issuer, the change i.e., de-freeze/exemption of trading restriction for DP shall be affected on January 7, 2023. The restrictions shall be re-introduced automatically on January 10, 2023.

⁸⁹Other points to be noted:

1. New Designated Persons for trading window closure will be added, on the basis of the information updated by the Issuer under System Driven Disclosure on NSDL portal. In case trading window closure is in place for the Issuer at the time of addition, Issuer ISIN in demat account of the newly added designated persons will also be frozen on T+2 days

⁸⁹ Circular No.: NSDL/CIR/II/45/2022 Date December 21, 2022

2. Based on instruction from issuer, exemption will be marked on concerned ISIN in the demat account(s) of DPs held with Depositories which were identified against the PAN of DPs on T-Day (i.e., commencement date of exemption defined by Issuer).

3. SEBI has clarified regarding market transfers in ISINs of the listed company, which Issuers are advised to note:

“In addition to the off-market transfers as mentioned in SEBI Circular dated August 05, 2022, depositories will also have to restrict on-market transaction in respective ISINs of listed company held in demat account of Designated Persons.”

Chapter 10 - e-Voting System⁹⁰

Ministry of Corporate Affairs vide its Circular No. 21/2011 dated May 2, 2011 had approved NSDL as one of the agencies for providing an electronic platform for electronic voting. The e-Voting system developed wherein shareholders can cast their votes electronically for resolutions of issuers. The e-Voting system will enable Issuers to offer to their shareholders the convenience of casting votes for resolutions through internet.

The details of the e-Voting system and other information such as the procedure for issuers availing the services of e-Voting system, User Manual for Issuers/R&T Agents and Shareholders etc. are available on the e-Voting website of NSDL viz; www.evoting.nsdl.com.

⁹¹SEBI vide its Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 has decided to enable e-voting for all individual demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-Voting Service Providers (ESP), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- 1) Accordingly to enable individual shareholders to login and cast vote through their demat account, NSDL services has been enhanced. Process of login for Individual shareholders holding securities in demat mode with NSDL is enclosed at **Annexure A**. Companies are required to incorporate this in their notice.
- 2) As per aforesaid SEBI circular, the listed companies are required to provide the details of the upcoming events requiring voting to the Depository. The depository will send SMS/email alerts in this regards, to the demat account holders, at least 2 days prior to the date of the commencement of e-voting. In order to facilitate listed companies to provide details of upcoming events requiring voting, NSDL's Issuer Services Portal has been enhanced to include e-Voting feature wherein listed companies are required to provide details of upcoming events requiring voting.
- 3) All the Issuers are requested to use the Issuer Portal <https://issuer.nsdl.com> for providing the information of upcoming events requiring voting. You need to click on Login button and provide your login credentials for successful authentication.

⁹⁰ Reference: Circular No: NSDL/CIR/II/05/2012 Date: January 19, 2012

⁹¹ Reference: Circular No.: NSDL/CIR/II/10/2021 Date: May 21, 2021

- 4) Issuers who are already registered in Issuer Portal can use existing login credentials to access e-Voting feature for providing details of upcoming events requiring voting.
- 5) Process for Issuers to provide the details for the upcoming events requiring voting :
- a. Issuer maker needs to capture e-Voting details on Issuer Portal by clicking on tab eVoting-----Transact ----Capture eVoting Detail.
 - b. Issuer Should provide following information :
 - ISIN (Can be selected from the dropdown)
 - Issuer Name and ISIN description (Auto populated)
 - e-Voting service provider Name i.e. NSDL,CDSL, K-Fintech, LinkIntime (Can be selected from the dropdown)
 - EVENT type, (i.e. AGM,EGM, Postal Ballot)
 - Voting start date
 - Voting start time
 - Voting end date,
 - Voting end time
 - General Meeting date
 - Cut-off date,
 - EVEN ID
 - Voting purpose (in brief)
 - c. Issuer checker is required to approve the details captured by Issuer maker on Issuer Portal by clicking on tab eVoting----- Enquire / Approve ---- View and Approve. Event details will be considered only after checker approves it.
 - d. It is advisable to capture and approve such details at least **five days** before the voting start date.
 - e. It is important to note that same user cannot perform Role of Maker and Checker.
 - f. If due to any reasons, Issuers could not provide aforesaid details electronically, such Issuers are advised to send details in attached format (Event details format) at **Annexure B** at evoting@nsdl.com atleast 5 days prior to voting start date. It is advisable that Issuers should provide details in NSDL Issuer Portal Itself.
- 6) Once Issuer will update the required details the event details are considered as final for intimating to the demat account holders of NSDL through email/SMS. Please ensure to provide correct details so as to provide correct communication to shareholders.

Chapter 11 - Monitoring of Foreign Investment limits in listed Indian companies⁹²

All Issuers/R&T Agents are hereby informed that SEBI vide its Circular No. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 has advised regarding Monitoring of Foreign Investment limits in listed Indian companies.

As per the aforesaid circular, the depositories shall put in place the necessary infrastructure and IT systems for operationalizing the monitoring mechanism in respect of the aggregate limits for investments by Foreign Portfolio Investors (FPIs), Non-Residential Indians (NRIs) and the sectoral cap of listed companies. The company shall appoint any one depository as its Designated Depository for the purpose of monitoring the foreign investment limit. The designated depository will obtain the required information from other depository for securities held in electronic form and from the company for the securities held in the physical form.

SEBI has directed that the companies shall provide the required data to the designated depository. For appointing NSDL as designated depository and seeking further details about the aforesaid monitoring mechanism the listed issuers can send their confirmation at email idfilm@nsdl.com.

Investment by Foreign Portfolio Investors (FPI) through primary market issuances⁹³

SEBI has advised R&T Agents vide its Circular No. IMD/FPIC/CIR/P/2018/114 dated July 13, 2018 regarding Investment by Foreign Portfolio Investors (FPI) through primary market issuances to obtain validation from Depositories for the foreign portfolio investors who have invested in the particular primary market issuance to ensure that there is no breach of investment limit.

In this regard the procedure for obtaining validation for the foreign portfolio investors from NSDL as per aforesaid SEBI directions is enclosed at Annexure A.

⁹² Reference: Circular No.: NSDL/CIR/II/13/2018 Date: April 13, 2018

⁹³ Reference: Circular No.: NSDL/CIR/II/11/2019 Date: March 27, 2019

Chapter 12 - Internal Audit

⁹⁴RTAs and Issuers having direct electronic connectivity with NSDL must carry out an internal audit for their operations and submit a report to NSDL.

⁹⁵Every Issuer or its Registrar and Transfer Agent shall ensure that an internal audit in respect of its depository operations is conducted at intervals of not more than six months by a qualified Chartered Accountant or a Company Secretary or a Cost and Management Accountant, holding a Certificate of Practice and a copy of the internal audit report shall be furnished to the Depository.

1. Objectives/guidelines of audit of RTA/Issuer having direct operations:

- a. To assure the management that the operations of the RTA/Issuer having direct electronic connectivity with NSDL are in compliance with the requirements of The Depositories Act, 1996, SEBI (Depositories & Participants) Regulations, 2018, NSDL Bye Laws and Business Rules, its agreement with NSDL and various circulars issued by SEBI / NSDL from time to time.
- b. To assure management that the DPM (SHR) system is managed and maintained in a manner that there is no threat to business continuity, integrity of data processing system is maintained at all times and methods are put in place to ensure that records are not lost, destroyed or tampered with or in the event of loss or destruction of data, sufficient backup of records is available at all times.
- c. To assure management that the capacity of computer system, staff strength and internal procedures are commensurate with the level of business activity.
- d. To assure management and NSDL that the business operations of the RTA / Issuer having direct electronic connectivity with NSDL are conducted in a manner that the foreseeable risks are addressed with appropriate internal control mechanism.

⁹⁴ Reference: Circular No.: NSDL/CIR/II/19/2016 Date: November 07, 2016

⁹⁵ Reference: Bye Law 8.5.9

2. The scope, minimum samples required and the format of the Audit Report may be prescribed by NSDL from time to time. Auditor may expand the scope of audit / add more audit points to achieve the objectives of audit.

3. Periodicity of Audit and submission of Audit Report

- a. The periodicity of carrying out the internal audit will be on a half-yearly basis and the submission of the Audit Report to NSDL will be as per the following schedule:

Audit Period	Due date for submission of report to NSDL
April 1 to September 30	November 15 th
October 1 to March 31	May 15 th

- b. RTA/Issuer having direct connectivity with NSDL shall ensure that internal audit findings along with management comments are placed before its Board of Directors in respect of its depository operations. Further, the inspection findings of NSDL must also be placed before its Board of Directors in respect of its depository operations. If there are no adverse finding in NSDL inspection/internal audit, then it is not mandatory for the RTA/Issuer having direct electronic connectivity with NSDL to report to its Board of Directors.
- c. The internal audit reports which are not as per guidelines will be treated as non-submission of the report. NSDL reserves the right to advise the RTA/Issuers having direct connectivity with NSDL to change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.
- d. In case auditor's remarks/comments are negative, management's comments shall be mandatory. If any checklist point is not applicable, it shall be commented as "Not Applicable" along with the reason for the same in the remarks column.

4. ⁹⁶Audit should cover all facets of the RTA/Issuer having direct connectivity operations. Auditor may expand the scope of audit / add more audit points to achieve the objectives of audit. RTAs/Issuers having direct connectivity are advised to extend full co-operation to their auditors to enable them to perform an effective audit. All circulars / guidelines issued by NSDL / SEBI from time to time and other information / records desired by the auditors should be made available to them within a reasonable time.
5. The RTAs/Issuers having direct connectivity which remain operational for less than three months in an audit period can submit audit report for that audit period along with the audit report for next audit period. For example, if a RTA/Issuer having direct connectivity is made operational by NSDL on July 1, 2020, then it can submit first audit report for period October 1, 2020 – March 31, 2021.
6. Any one person conducting the internal should obtain certification from the National Institute of Securities Markets (NISM) by passing the NISM Series II A: RTAs (corporate) certificate exam and NISM Series IIB: RTAs (Mutual Fund) certificate exam (applicable only for Mutual Fund processing RTAs). ⁹⁷Alternatively, such persons, if eligible, may undergo Continuing Professional Education (CPE) program for depository operations (details available on www.nism.ac.in).

Facility for submission of Internal Audit Reports in electronic form through e-PASS⁹⁸

A facility for online submission of IAR in electronic form through e-PASS platform has been developed. Accordingly, RTAs/ Issuer connected to NSDL can submit IAR online through e-PASS platform. The Auditor can fill and submit the IAR online through e-PASS platform using their login credentials.

⁹⁶ Reference: Circular No.: NSDL/CIR/II/39/2020 Date: October 19, 2020

⁹⁷ Reference: Circular No.: NSDL/CIR/II/42/2020 Date: November 02, 2020

⁹⁸ Reference: Circular No.: NSDL/CIR/II/43/2020 Date: November 03, 2020

Chapter 13 - Investor Grievances

1. ⁹⁹Every issuer or its agent or any person who is registered as an intermediary under Securities and Exchange Board of India (Depositories and Participants) Regulations 2018, shall redress the grievances of the beneficial owners within thirty days of the date of receipt of the complaint and keep the depository informed about the number and nature of grievances redressed by it and the number of grievances pending before it.
2. Issuers as well as R & T Agents are advised to submit a report for grievances of the beneficial owners related to depository services (like delay in confirmation of dematerialisation requests, etc.) to *The Officer-In-Charge, Investor Relationship Cell, NSDL* every calendar quarter by the 7th of the following month. In case there are no grievances, a nil report should be submitted.
3. ¹⁰⁰Disclosure of details of complaints lodged by investors (Beneficiary Owners) against Participants including details pertaining to arbitration and penal action against the Participants will be displayed on NSDL website.
4. ¹⁰¹Issuers are requested to comply with SEBI directions regarding redressal of investor grievances through SEBI Complaints Redress System (SCORES).

Facility for submission of Investor Grievance Report through e-PASS¹⁰²

A facility for submission of IG Report through online platform - “**e-Portal for Report Submission**” (e-PASS - <https://www.epass.nsdl.com/epass/>) is developed by NSDL.

The IG Report has to be submitted through e-PASS only by Issuers/ R&T Agents from quarter ended June 2016 onwards and the practice of submission of Co-IG Report by Issuers/ R&T Agents through email and/or hard copy is discontinued.

R&T Agents providing services to more than one Issuer would have to submit a **single** consolidated Co-IG Report for all Issuers serviced by it.

⁹⁹ Reference: Circular No. NSDL/JS/029/2003 Date: October 8, 2003

¹⁰⁰ Reference: Circular No.: NSDL/CIR/II/04/2010 Date: February 24, 2010

¹⁰¹ Reference: Circular No.: NSDL/CIR/II/31/2014 Date: December 30, 2014

¹⁰² Reference: Circular No.: NSDL/CIR/II/14/2016 Date: June 30, 2016

Facility to upload / download of Investor Grievance related correspondence through e-PASS for Issuers/R&T Agents¹⁰³

A facility for upload and download of Investor Grievance related correspondence through online portal provided by NSDL i.e. e-PASS (<https://www.epass.nsdl.com/>) has been developed.

In this regard, Issuers/R&T Agents are requested to take note of the following:

1. For uploading reply of investor grievance received from NSDL through e-PASS, Issuers/R&T Agents would be required to follow the Maker-Checker mechanism, whereby Maker User/s of Issuers/R&T Agents would be able to capture/ upload the replies for grievances on e-PASS which have to be authorized and submitted to NSDL by Compliance Officer or other authorized person (as a Checker User) of Issuers/R&T Agents.
2. The scan copies of replies/ responses for Investor Grievances need to be uploaded by Issuers/R&T Agents on e-PASS in **‘.PDF’ format only**. The hard copies of said replies are not required to be sent to NSDL and the same has to be kept by Issuers/R&T Agents in their records.
3. ¹⁰⁴NSDL comments/directions regarding the complaints advising RTAs to provide clarification/response to the clients against their complaints will be updated in remarks column in e-PASS.

¹⁰³ Reference: Circular No.: NSDL/CIR/II/11/2020 Date: February 25, 2020

¹⁰⁴ Reference: Circular No.: NSDL/CIR/II/34/2022 Date: October 10, 2022

Chapter 14 - Fees and Charges

A list of fees and charges levied by NSDL to the Issuers is available at

https://nsdl.co.in/downloadables/charges/Fees_and_charges_to_Issuers.pdf

Chapter 15 – Miscellaneous

1. Change of R&T Agent (electronic connectivity)¹⁰⁵

The following procedure will have to be followed for change of R&T Agent (electronic connectivity):

1. The new R&T Agent must forward the following documents/fees:
 - i. Application form by Issuer in the format given in Annexure A.
 - ii. No Objection Certificate (NOC) from existing R&T Agent in the format given in Annexure B.
 - iii. Certificate of Holding (COH) issued by a practicing Chartered Accountant or Company Secretary giving details of the securities held in NSDL, CDSL & physical form and the total number of securities issued. The details provided in the said certificate should not be more than seven days prior to the date of making application for change of R&T Agent. This certificate must be furnished for all ISINs proposed to be shifted to new R&T Agent.
 - iv. Confirmation from new R&T Agent for common registry in the format given in Annexure C (applicable for listed companies).
 - v. A copy of the latest Secretarial Audit Report submitted to the stock exchanges (applicable for listed companies).
 - vi. The NOC & COH shall be valid for a period of three months from the date of receipt of application. In case the change of R&T Agent is not effected within three months due to non-payment of fees and/or non-submission of complete/correct documents, fresh NOC and COH will have to be obtained and submitted.
2. NSDL and CDSL balances as per the COH submitted by the Issuer will be reconfirmed by the depositories to each other.
3. After scrutinising the documents and if found in order, the Issuer will be permitted to sign the agreement with the new R&T Agent and NSDL.

2. Change in name and address of the Issuer/R&T Agent¹⁰⁶

Following documents for change in name and address of the Issuer/R&T Agent to be submitted to NSDL:

¹⁰⁷Change of name:

- Letter from the Issuer company requesting to note the change in name (*letter to be signed by the Company Secretary or Managing Director specifying the ISINs of the securities of the Issuer company*).

¹⁰⁵ Circular No. NSDL/JS/023/2003 Date : June 7, 2003

¹⁰⁶ Circular No. NSDL/JS/034/2003 Date : December 5, 2003

¹⁰⁷ Circular No. NSDL/CIR/II/029/2008 Date : November 14, 2008

- Certified true copy of the fresh certificate of incorporation consequent to change of name issued by the Registrar of Companies.
- Certified true copy of Board Resolution for change in name.
- In addition, in respect of an issuer whose securities are listed:
 1. For issuer's whose securities are listed on a nationwide stock exchange (*i.e. currently BSE or NSE*), a copy of the letter/notice of **any one** such stock exchange confirming/notifying change of name of the company.
 2. For issuer's whose securities are listed on a stock exchange other than a nationwide stock exchange (*i.e. currently BSE or NSE*), a copy of the letter/notice of **any one** such stock exchange confirming/notifying change of name of the company.

Change of registered office address

- Letter from the Issuer company requesting to note the change in registered office address (letter to be signed by the Company Secretary or Managing Director specifying the ISINs of the Issuer company).
- Certified true copy of the Shareholders resolution/Board resolution approving the change of the registered office.
- Certified true copy of Form No. 18 duly filed with the Registrar of Companies.

Change of address for sending Demat Request Forms/physical certificates

- Letter from the Issuer company requesting to note the change of address for sending the Demat Request Forms/physical certificates by the Depository Participants (letter to be signed by the Company Secretary or Managing Director specifying the ISINs of the issuer company). The letter should include the following :
 - Name of the company.
 - Full postal address along with pincode.
 - Name of the contact person.
 - Designation of the contact person.
 - Telephone nos./Fax nos./E-mail address.

Note : In case of change of address of the R & T Agent, the R&T Agent must submit the list of all its client companies (specifying the ISINs) in respect of which the Demat Request Forms/Physical certificates are to be sent to the new address.

3. Procedure for facilitating off-market transfer for tendering securities for 'Buy-back', 'Open offer for Acquisition' and 'Delisting - Exit offer'¹⁰⁸

In order to ensure that the off-market transfer is indeed for the purported reason as declared by the account holder(s) at the time of such transfers, system level validation is being implemented

¹⁰⁸ Circular No.: NSDL/CIR/II/08/2022 Date : March 21, 2022

by Depositories. In respect of any off-market transfers where the reason code provided by the client to the Participant is reason code 12, 13 or 28 as given below, such off-market transfers will be executed only if the demat account number and the security (ISIN) has been enabled for such transfers for specified period. In case such enablement is not carried out by the issuer, such off-market transfers will not be effected.

Sr. No.	Reason Code No.	Reason Code Description
1	12	Buy-back
2	13	Open offer for Acquisition
3	28	Delisting - Exit offer

Accordingly, Issuers/R&T Agents are advised to take note of the following procedure wherein transfer of securities **by way of off-market transfer using aforesaid reason code is required to be enabled.**

1. Issuer making an offer under ‘Open offer for Acquisition’, ‘Delisting - Exit offer’ and ‘Buy-back’ where off-market transfer are necessitated using the Off-market transfer reason code viz. ‘Open offer for Acquisition’, ‘Delisting - Exit offer’ and ‘Buy-back’ shall make a request to NSDL for enabling off-market transfers in an ISIN to a designated demat account for a specified period. The format of the request letter is enclosed as Annexure D.
2. Issuer shall make this request to NSDL at least two days prior to the date of the opening of the offer.
3. NSDL shall enable the off-market reason code as per the request of the Issuer in NSDL system and holders of the security will be enabled to transfer securities in an ISIN using the off-market reason code to the designated demat account and for the specified period as per the request from the Issuer.

The system level validation will be implemented for Intra depository off-market transfers (where source and target accounts are held with NSDL) only with effect from March 25, 2022. Thus, in case, the designated demat account opened by Issuer and investors’ demat account are held with different depositories, transfers shall be allowed as per the existing mechanism.

Issuers/R&T Agents are advised to note that the process for tendering of shares/securities using stock exchange mechanism for ‘Open offer for Acquisition’, ‘Delisting - Exit offer’ and ‘Buy-back’ will be as per the procedure prescribed by SEBI and amended from time-to-time wherein market transfer mechanism is adopted, and thus the above procedure will not be applicable.

LIST OF ABBREVIATIONS

Sr.No.	Term	Abbreviation
1	Alternative Investment Fund	AIF
2	Asset Management Companies	AMC
3	Association of Mutual Funds in India	AMFI
4	Auto Corporate Action	ACA
5	Beginning of Day	BOD
6	Beneficial Owner	BO
7	Beneficiary Demographic details	BENDEM
8	Beneficiary Position Statement	BENPOS
9	BSE Limited	BSE
10	Central Depository Services (India) Limited	CDSL
11	Certificate of Holding	COH
12	Chief Executive Officer	CEO
13	Clearing Corporation	CC
14	Clearing Member	CM
15	Commercial Paper	CP
16	Company Investor Grievance	Co-IG
17	Consolidated Account Statement	CAS
18	Continuing Professional Education	CPE
19	Corporate Action	CA
20	Delivery Instruction Slip	DIS
21	Dematerialisation Request Form	DRF
22	Depository Module	DM
23	Depository Participant	DP
24	Depository Participant Module	DPM
25	Depository Participant Module-Share Registrar	DPM-SHR
26	Designated Persons	DPs
27	Distinctive Number	DN
28	Electronic Delivery Instruction Slip	e-DIS
29	Electronic Depository Participant Module	e-DPM
30	Employee Stock Ownership Plan	ESOP
31	End of Day	EOD
32	e-Portal for Report Submission	e-PASS
33	e-Voting Event Number	EVEN
34	e-Voting Service Provider	ESP
35	Fixed Income Money Market and Derivatives Association of India	FIMMDA
36	Follow-on Public Offering	FPO
37	Foreign Portfolio Investor	FPI
38	Indian Clearing Corporation Limited	ICCL
39	Initial Public Offering	IPO
40	Internal Audit Reports	IAR
41	International Securities Identification Number	ISIN
42	Investor Education and Protection Fund Authority	IEPF

43	Investor Grievance Reports	IG Reports
44	Issuing and Paying Agent	IPA
45	Know Your Client	KYC
46	Letter of Allotment	LOA
47	Master Creation Form	MCF
48	Mutual Fund	MF
49	National Institute of Securities Market	NISM
50	National Securities Depository Limited	NSDL
51	National Securities Depository Limited Business Rules	NSDL Business Rules/Business Rules
52	National Securities Depository Limited Bye Laws	NSDL Byelaws/Byelaws
53	National Stock Exchange of India Limited	NSE
54	Net Asset Value	NAV
55	No Objection Certificate	NOC
56	Non-Disposal Undertaking	NDU
57	Non-Resident Indian	NRI
58	NSE Clearing Limited	NCL
59	Permanent Account Number	PAN
60	Portable Document Format	PDF
61	Prohibition of Insider Trading	PIT
62	Register of Members	ROM
63	Registrar & Transfer Agent	RTA/R & T Agent
64	Rematerialisation Request Form	RRF
65	Reserve Bank of India	RBI
66	Retirement Savings Fund Plan	RSFP
67	Securities and Exchange Board of India	SEBI
68	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	D & P Regulations
69	Securities and Exchange Board of India Act, 1992	SEBI Act
70	Securities and Exchange Board of India Complaints Redress System	SCORES
71	Short Message Service	SMS
72	Statement of Account	SOA
73	Stock Exchange	SE
74	Substantial Acquisition of Shares and Takeovers	SAST
75	System Driven Disclosure	SDD
76	Systematic Investment Plan	SIP
77	Tax Deducted at Source	TDS