National Securities Depository Ltd.

Participant Interface
Circular

Circular No.: NSDL/POLICY/2010/0137 Date: December 24, 2010

Sub: Procedure - Transactions in Mutual Fund schemes through the Stock Exchange infrastructure

(I) Background :

Attention of Participants is invited to SEBI Circular No. CIR/IMD/DF/17/2010 dated November 9, 2010 regarding facilitating transactions in Mutual Fund schemes through the Stock Exchange infrastructure (*informed to Participants vide Circular No. NSDL/POLICY/2010/0120 dated November 27, 2010*).

(II) Current procedure :

(a) Subscription

On subscription of Mutual Fund (MF) units by Client through Stock Exchange, Asset Management Company (AMC) / Registrar & Transfer Agent (RTA) credits the depository account of the Client directly through credit corporate action.

(b) Redemption:

For redemption purpose, in addition to the Client placing an order through Stock Exchange, the Client submits instruction through a delivery instruction slip (DIS) to its Participant to transfer the units to a designated Pool account of the Clearing Corporation (CC) of the Stock Exchange. The redemption proceeds will be sent by AMC/ RTA through appropriate payment mode such as direct credit, NEFT or cheque as decided by AMC from time to time, as per the bank account details of the Client available in the depository system.

(III) Revised procedure :

In light of the aforesaid SEBI circular, the procedure for subscription and redemption of MF units transacted through Stock Exchanges has undergone change, as per the details given below:

(a) Subscription

(i) Clients 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. Subsequently, the AMC would transfer MF units from its BO account to its AMC/MF Clearing Member (CM) Pool account on or before 2.30 p.m. on the next day of the order date (*i.e. by T+1 day*) under market type "Normal Subscription" and "Mutual Fund - Subscription" in respect of NSCCL and BOISL respectively. AMC has to execute delivery out instructions from its CM Pool account or avail Auto DO facility of NSCCL / BOISL to deliver the MF units for Pay-in.

(iii) Upon execution of Pay-in of securities as per the settlement schedule declared by NSCCL / BOISL, the CM Pool Account of the AMC will be debited through the usual settlement process.

(iv) NSCCL and BOISL will credit the MF units into the respective subscriber CM's Pool accounts by Pay-out through usual settlement process.

(v) The CM would transfer the MF units to the subscriber's beneficiary account.

(IV) Redemption:

For redemption purpose, in addition to the Client placing order through its Stock Broker, the Client will have to submit DIS to its Participant to transfer the MF units to the designated CM Pool account of NSCCL / BOISL as per the existing process. The designated CM Pool account of NSCCL and BOISL are given below for the information of Participants:

Sr. No.	Stock Exchange Name	CC Name	CM BP ID	Market Type	Pay-in Deadline
1	National Stock Exchange of India Limited	National Securities Clearing Corporation Ltd.	IN565576	Normal Redemption	4.30 pm on Trade Day (Order Day)
				Liquid Redemption	
				MFSS T+2	
2	Bombay Stock Exchange Limited	BOI Shareholding Ltd.	IN640016	Mutual Fund - Redemption	

For and on behalf of
National Securities Depository Limited

Prashant Vagal
Vice President

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