National Securities Depository Ltd.

Participant Interface
Circular

Circular No.: NSDL/POLICY/2010/0004 Date: January 11, 2010

Sub: Amendment to Business Rules

All Participants are hereby notified that Rule 12.6.2.3 of the Business Rules has been amended and a new Rule 12.6.1.3 has been inserted in the Business Rules. Rules 12.6.1.3 and 12.6.1.4 of the Business Rules have been renumbered as Rule 12.6.1.4 and 12.6.1.5 respectively.

The amended Business Rule 12.6.2.3 and the new Business Rule 12.6.1.3 are given below:

Amended Business Rule 12.6.2.3:

However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed Rs.1,00,000 then the Participant shall process the transmission request on the basis of the following documents:

i) Request for transmission in Annexure O;

ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer;

iii) Letter of Indemnity made on appropriate non judicial stamp paper;

iv) An Affidavit made on appropriate non judicial stamp paper; and

v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.

vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed.

Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission.

New Business Rule 12.6.1.3:

In case of death of one or more of the Clients in a joint account if the surviving client(s) wish to open a new account with the same Participant, then the Participant will open the new account in the name(s) of the surviving member(s), in the same order as in the original account, on the basis of the existing documents already in the possession of the Participant, provided that the said documents meet the prevailing requirements for opening an account.

Further, the Annexure 'O' (copy enclosed) pertaining to Transmission Request Form (TRF) has been amended and various formats used alongwith TRF have been restructured and inserted as Annexures of Business Rules as below:

(i) Annexure 'OC' - Format for Letter of Indemnity to be given by legal heir(s)/Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed).

(ii) Annexure 'OD' - Format for Affidavit to be given by legal heir(s)/Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed).

(iii) Annexure 'OE' - Format for No Objection Certificate to be given by legal heir(s)/Legal representative(s) in case value of holding not exceeding Rs.1 lakh on the date of application (copy enclosed).

(iv) Annexure 'OF' - Format for Deed of Indemnity to be submitted by surviving member(s) of HUF in case value of holding not exceeding Rs.10 lakh on the date of application (copy enclosed).

(v) Annexure ‘OG’ - Format for Affidavit to be submitted by surviving member(s) of HUF in case value of holding not exceeding Rs. 10 lakh on the date of application (copy enclosed).

For and on behalf of

National Securities Depository Limited

Samar Banwat

Vice President

Encl.: a/a

Signature Not Verified

Digitally signed by Samar Banwat
Date: 2010.01.11 15:49:54 +05:30
Reason: Authentication
Location: NSDL, Mumbai