

Overview



What Is a Depository?

Provides facility for holding and /or transacting securities in electronic form

Dematerialisation

Converting physical securities in electronic form



Benefits of Depository



Primary Market

IPO in Physical Form

- **Allotment in Physical Form - Certificates**
- **Large number of certificates to be printed**
- **Loss in transit**
- **Fake / forged certificates**
- **Time consuming allotment procedure**



Primary Market

IPO in Demat Form

- Allotments in demat mode
- No Loss in Transit
- No fake / forged Certificates
- Faster allotments
- Reduction in paper work



Secondary Market

Trading in Physical Form

- **Handling of large volumes of paper**
- **Longer Settlement Cycles**
- **Stamp duty for transfer of ownership**
- **Misappropriations of transfer stamps**
- **Delay in transfer of ownership**



Secondary Market

Trading in Demat Form

- **Deliveries in demat form**
- **No stamp Duty for change of ownership**
- **Shorter Settlement cycle**
- **Reduction in paper work**



Investors

Holding securities in Physical form

- **Prone to damage due to accidental / natural events**
- **Stamp duty on transfer of ownership**
- **Trading in market lots**
- **Time consuming paper work involved in**
 - **Transfer of ownership**
 - **Sale / pledge to raise funds**
 - **Record changes in demographic details of holders**



Investors

Holding securities in demat form

- **Safe, convenient as compared to paper form**
- **No stamp duty on transfer of ownership**
- **Market lot of one share**
- **Reduction in paper work for**
 - **Transfer of ownership**
 - **Sale / pledge to raise funds**
 - **Record changes in demographic details of holders**



Companies

In physical form

- **Maintain detailed register of all investors**
- **Time consuming process for**
 - **Recording change of ownership**
 - **Updating list of list of investors for corporate actions**
 - **Reconciliation of shareholder's register**



Companies

In demat form

- **Not required to maintain register of all investors**
- **Up-to-date list of investors provided by depository**
 - **For corporate actions**
 - **Reconciliation of shareholder's register**
- **Change of ownership recorded by depository**
- **Reduction in paper work**



Legal Environment

- **The Depositories Act -1996**
- **SEBI (Depositories & Participant) Regulations**
- **Depository Bye-Laws**
- **Communiqué**
- **PMLA, 2002**

- **Operating Instructions**



Key terms in Depository



Beneficial owners (BO):

The investor

Depository Participants (DP):

Agents of the depository

Can be a Bank/ Broker/ Custodian



Issuer

The companies/corporations/government issuing securities in any form approved by competent authority

Registrars and Transfer Agents (RTA)

- **Agents of the Issuers**
- **Provide connectivity between Depository and the Issuers for handling**
 - Demat, Remat
 - IPO, Corporate actions

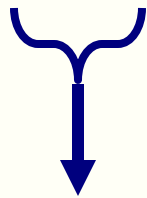


ISIN

International Security Identification Number

A 12 digit unique alphanumeric code given to a security when it is admitted in a depository

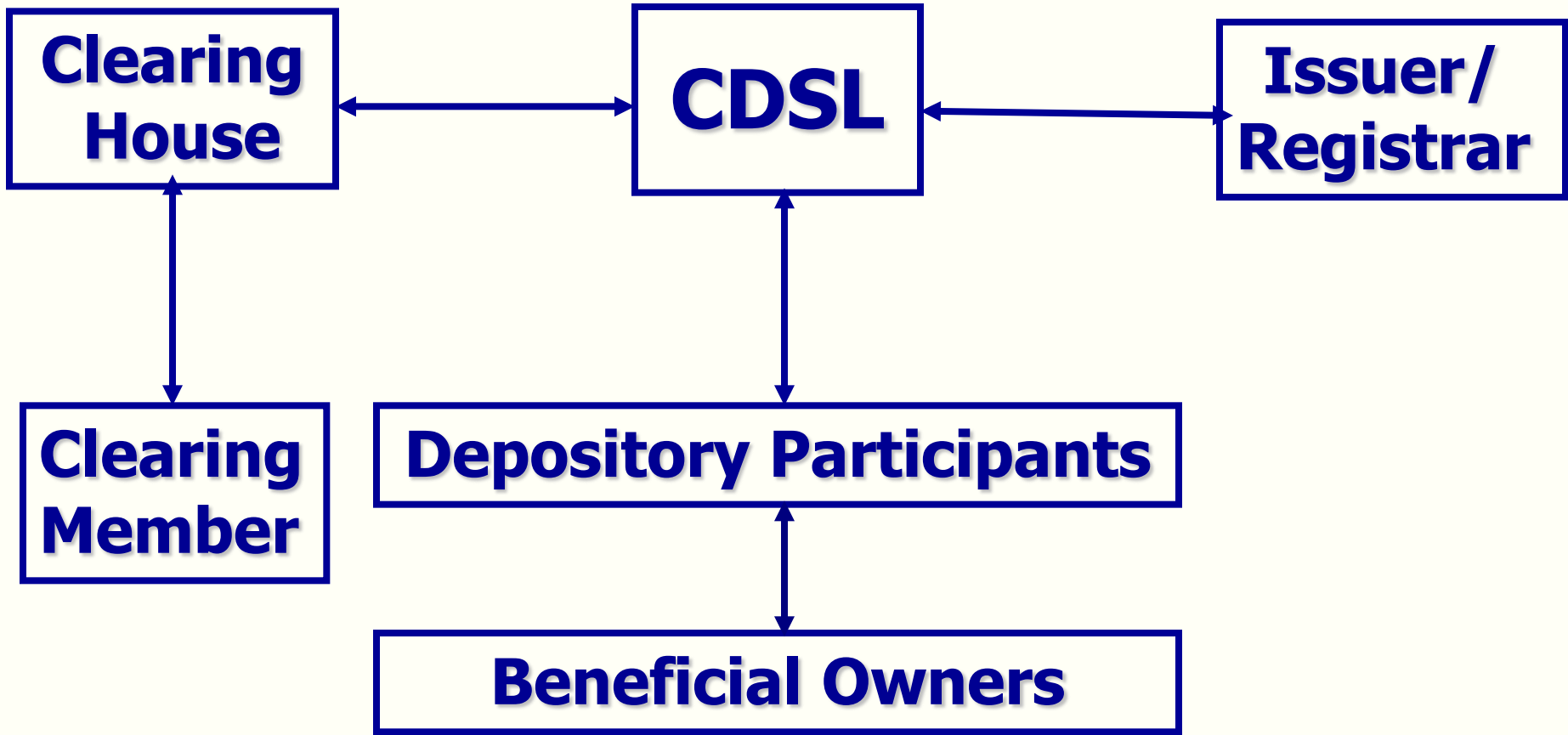
IN E 002 A 01 01 8



Country code for India



Depository Structure



DP Types

- 1 - Clearing House / Clearing Corporation**
- 2 - Clearing Member**
- 3 - Regular DP**
- 4 - Registrar and Transfer Agent**
- 5 - Depository**
- 6 - Custodian**



Demat account Number

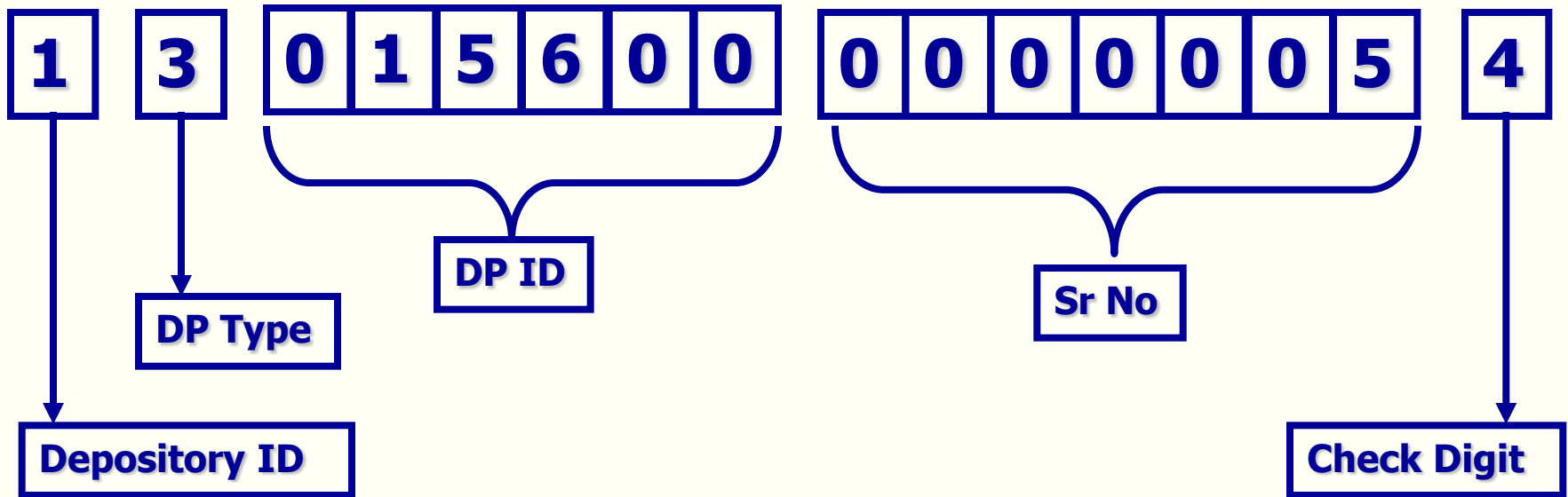


1	3	0	1	5	6	0	0	0	0	0	0	0	0	5	4
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Break Up Of 16 Digits

1 - CC / CH
2 - CM
3 - Regular DP
4 - RTA
5 - Depository
6 - Custodian



To be entered in IPO form

1	3	0	1	5	6	0	0	0	0	0	0	0	5	4
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DPID

Client ID



System Overview

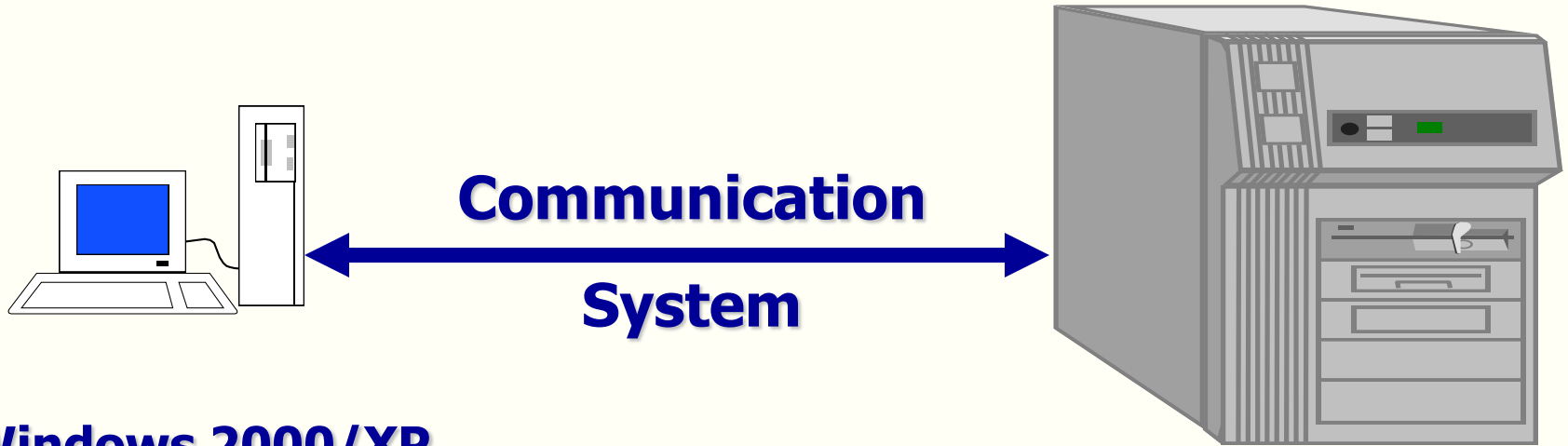


CENTRAL DEPOSITORY ACCOUNTING SYSTEM

CDAS



CDAS Components





**Windows 2000/XP
Based Pentium
Workstation
Front End
Delivery System**

**CDSL
Host System
Back End
RP-8420**



Cursor Shapes

Shape	Field Type	Data Input Method
	Toggle	Enter Y or N, or Double click ,to change Yes to No or vice versa
	Selection	Double click on this field to get a selection list



Steps to start CDAS System

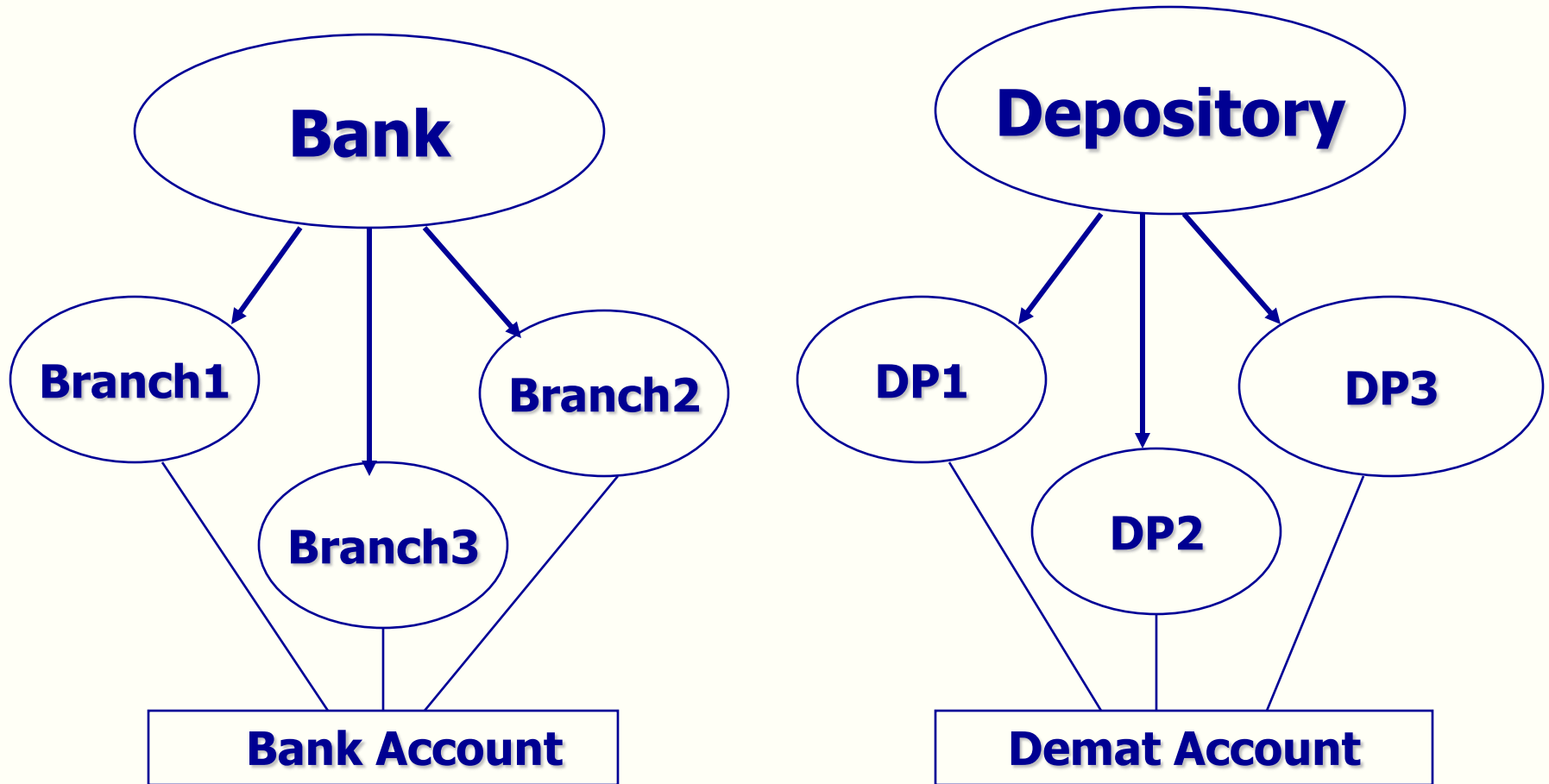
- **Contivity VPN Client**
- **CGS**
- **Master**
- **Transfer/Update**
- **Opconsol**



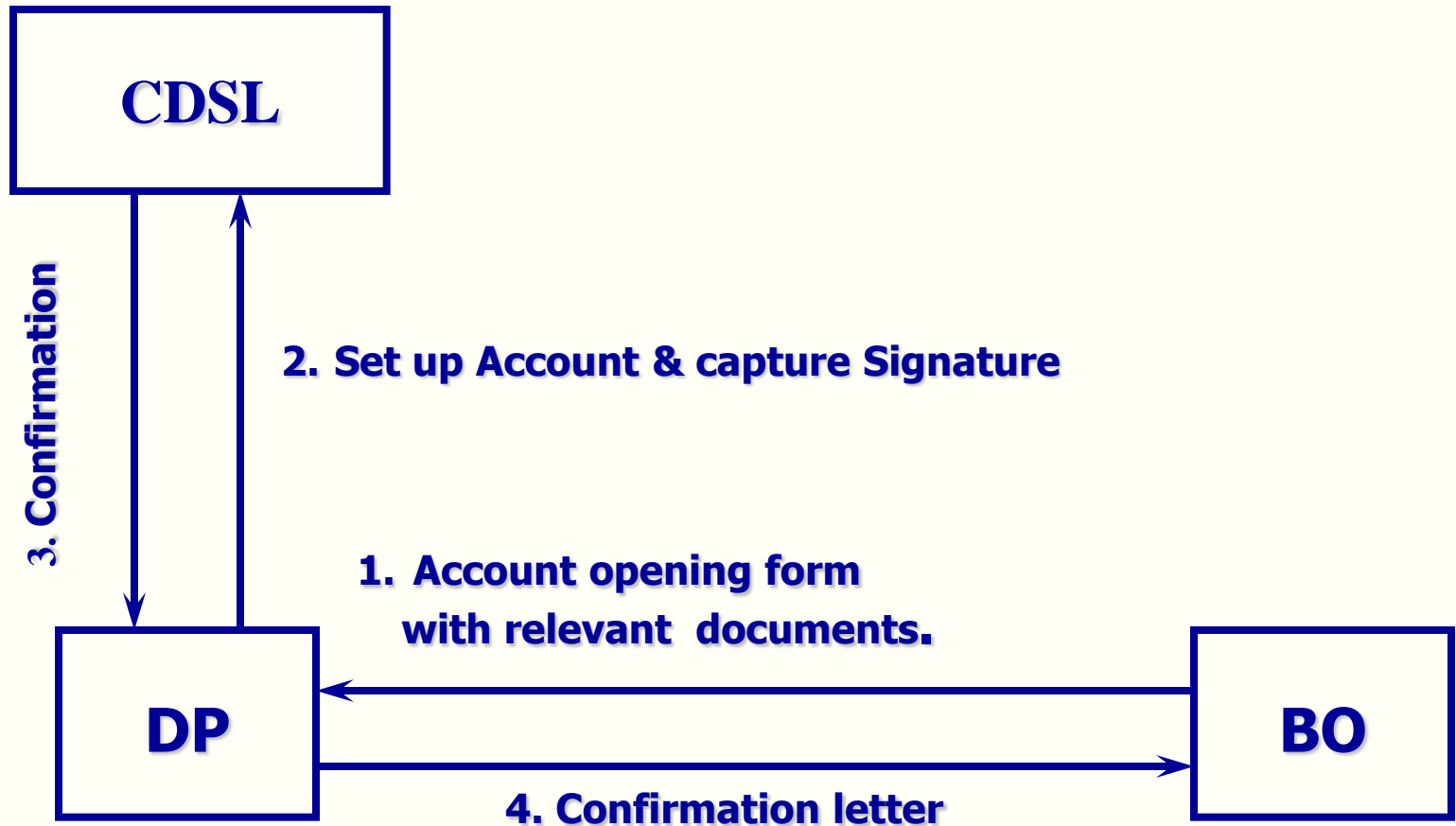
Account Opening



Bank - Depository Comparison



Demat Account Opening – Process flow



Procedure

KYC

- **Establish KYC norms for the intending BO**
 - **Proof of Identity For all holders**
 - **Proof of Address**
 - **Correspondence & Permanent address for first holder**
 - **Only permanent address for joint holders**
- **PAN card details For All Holders / all categories of accounts.**



Agreement

- **Enter into an agreement with the intending BO**
- **Value of stamp paper varies with place of registration**
- **Date of signing the agreement prior to / same as date of account opening**



AOF

- **Obtain a completely filled, signed account opening form**
- **BO to self attest the documents attached along with the AOF**
- **Details not relevant should be marked as NOT APPLICABLE**



Verification

- **Verify copies of all the documents against originals**
- **DP officials to sign copies of the documents under a stamp ` Verified against original`**
- **Copy OF PAN card to be stamped as `PAN Verified`**
- **“ In-person Verification” to be carried out for Individuals, NRI and Foreign Nationals**



In – Person Verification for NRI/FN

For NRI/FN if 'In-Person Verification' is not possible, photocopies of the documents should be certified by any of the following authorities in the country where the NRI / FN is residing

- The Indian Embassy / Consulate General**
- Any court**
- Judge / Magistrate**
- Notary Public**
- Banker**



Capturing details in CDAS

- **Enter the information in the system**
- **Select proper BO status code i.e. Account category**
- **Proper care should be taken while entering Account Holder Names as the names can not be modified once an account is created**



Capturing details in CDAS

- **Scan the signatures of the BO as well as power of attorney, if any**
- **On Committing the BO details, CDSL system generates a confirmation letter to the new BO, mentioning the account number**
- **Send this letter to the BO**



Additional information

- **Details of occupation, Financial status and Nature of business to be obtained from BOs for Individual category**
- **No joint holders in HUF / Minor Accounts**
- **One time standing instruction for credits**



Additional information

- **For Registered Trust account in the name of the trust**
- **For Unregistered Trust account in the name of the trustees**
- **Account can not be opened in the name of partnership firm**
- **Account can not be opened in the name of proprietary firm**



Nomination

- **Only one person can be appointed as a Nominee**
- **Only Individuals can appoint nominee and nominee can be an individual only**
- **Prescribed form to be filled & signed by all the account holders**
- **Two witness are required for Nomination**
- **Nomination Register to be maintained**
- **No nomination in HUF / Corporate accounts**



Power of Attorney

- **Account can not be opened / closed by power of attorney**
- **Accounts can be operated under signature of original account holders as well as power of attorney, if POA is present**
- **Power of Attorney register to be maintained**
- **SMS Registration mandatory for accounts managed by POA holder**



Account Modification

- **Account Modification Form along with proper documentation**
- **Account status / Account Holder names can not be changed**
- **In case of joint accounts, modification form has to be signed by all the holders**
- **Change in Address**
- **Change in Signature**



Account Closure



Initiated by BO

- **Active**
- **To Be closed – Credits not allowed**
- **Closed – All balances become ZERO**



Initiated by DP

- **Active**
- **Requested for closure**
- **To Be Closed – Credits not allowed**
- **Closed - All balances become ZERO**



Reports

- DPB9 - BO Details Full Dump - Incremental Three times during the day and full report during EOD**
- DPS8 - BO Details - One Time Request**
- DPS9 - BO details - On-line DPB9**
- DPC3 - BO Signature Data - Request**



Records to be maintained

- **Account Opening Forms**
- **Power of Attorney**
- **Supporting Documents**
- **All Records to be preserved as long as the account is active and subsequently for TEN years after the account is closed**



Dematerialization

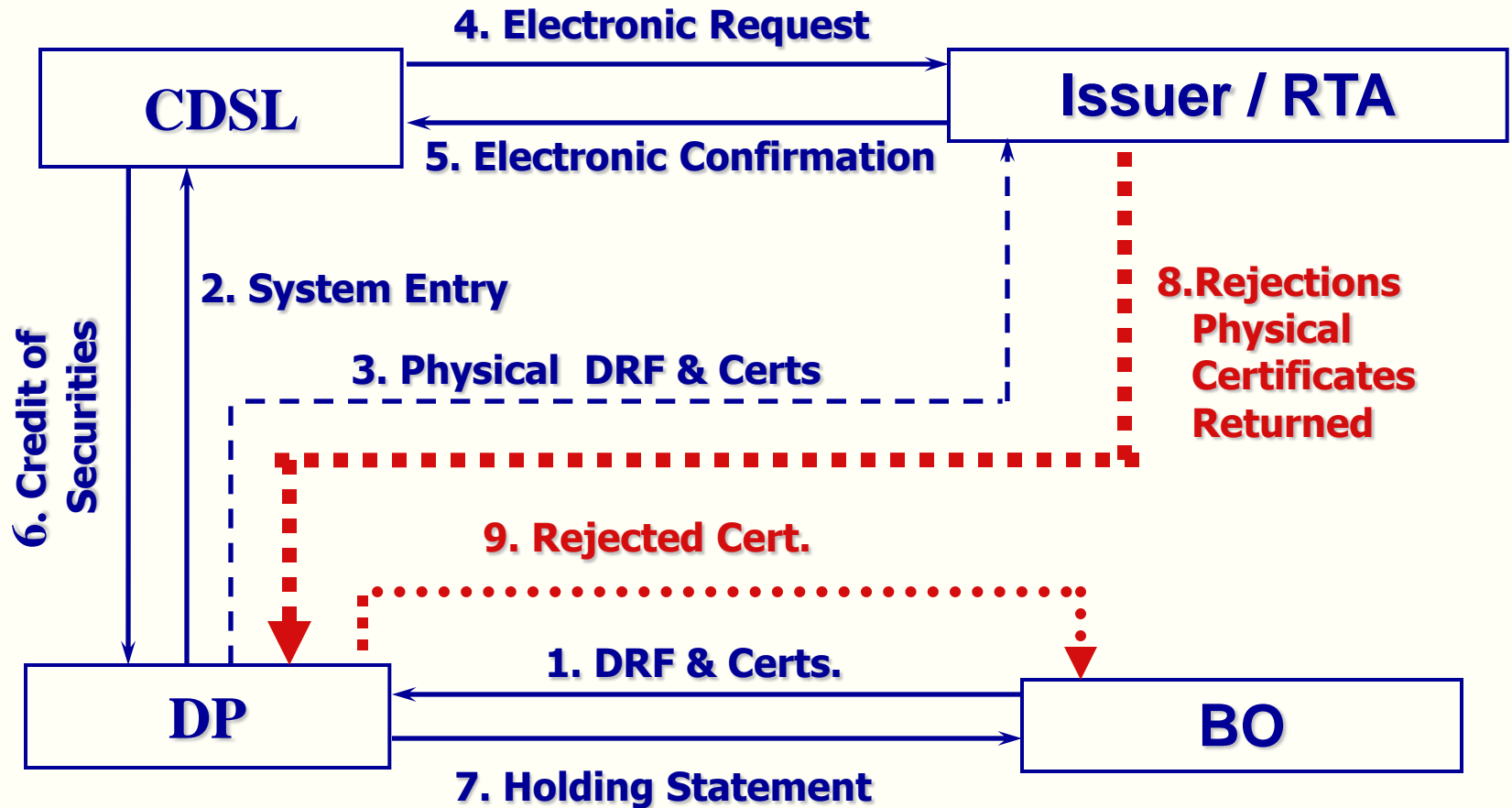


Features

- **Converting Physical Certificates into Electronic Holdings**
- **Demat of lock-in / partly paid-up securities possible**
- **Unique DRN**



Dematerialization Process Flow - Securities



Transposition – cum – Demat

Order of holder names on Physical certificates

A,C,B or B,C,A or C,A,B or B,A,C

Order of holder names in demat account

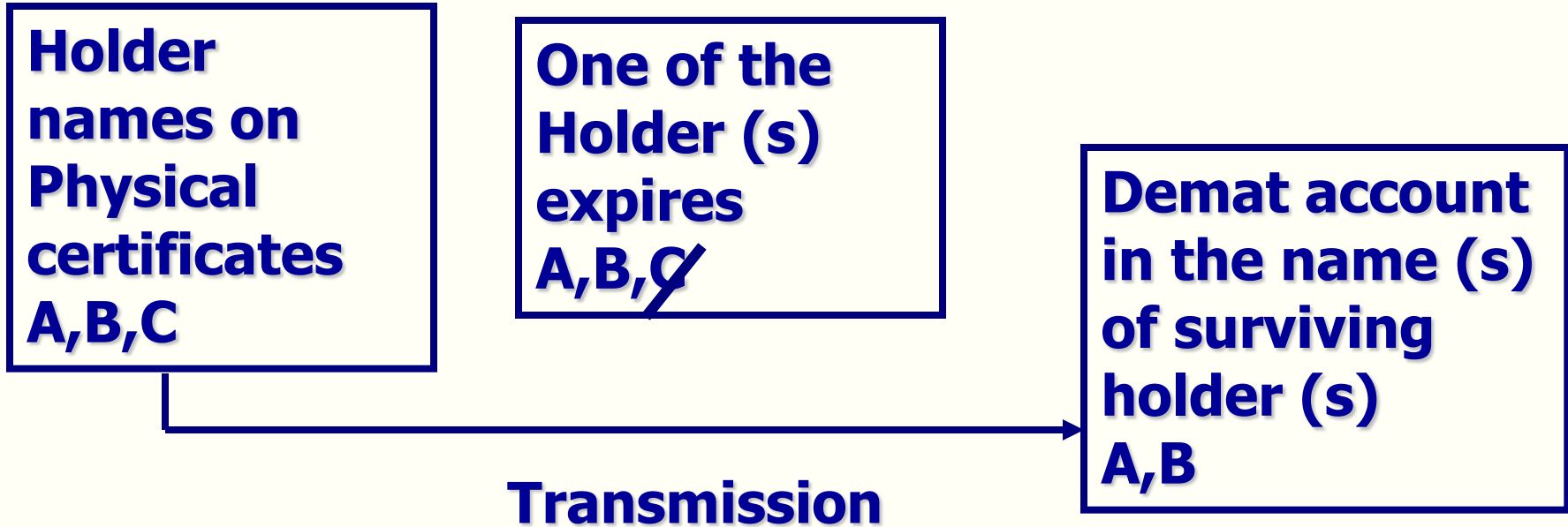
A, B, C

Transposition

- **Change in order of names**
- **Transposition form to be attached with DRF**



Transmission – cum – Demat



- **Original / Notarized/ Attested Copy of death certificate of deceased holder (s)**
- **Transmission form to be attached with DRF**



Additional Information

- **Separate DRF for free shares and lock-in shares**
- **Defacing / Mutilation (not for GSEC)**
- **Pending Demat list – Top 200 Companies**
- **Indemnity Procedure**
- **More than 3 holders**



Reports

- **DP 57 – Transaction Dump**
- **Transaction type - 6**



Records to be maintained

- **Copy of the Demat request form**
- **Other supporting Documents**
- **All records to be retained for TEN years**



Rematerialisation

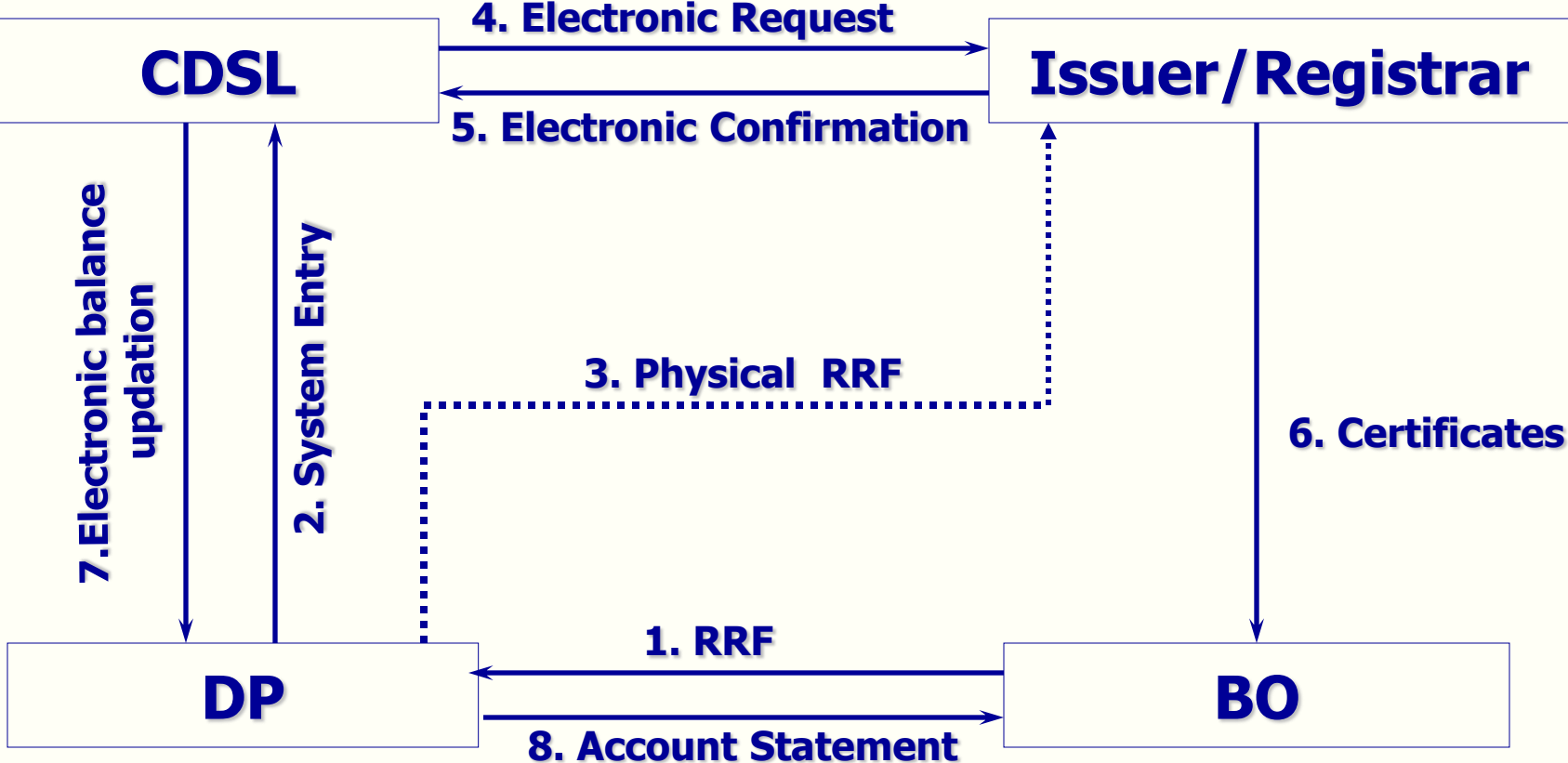


Features

- **Converting holdings from demat into physical form**
- **No Stamp Duty to be paid by the BO**
- **Repurchase of units**
- **Unique RRN**
- **Free & Lock in securities**



Rematerialization Process Flow



Remat Charges

- **Rs. 10/- per certificate**
or
- **Rs.10/- for 100 securities**
whichever is higher



Reports

- **DP 57 – Transaction Dump**
- **Transaction Type - 7**

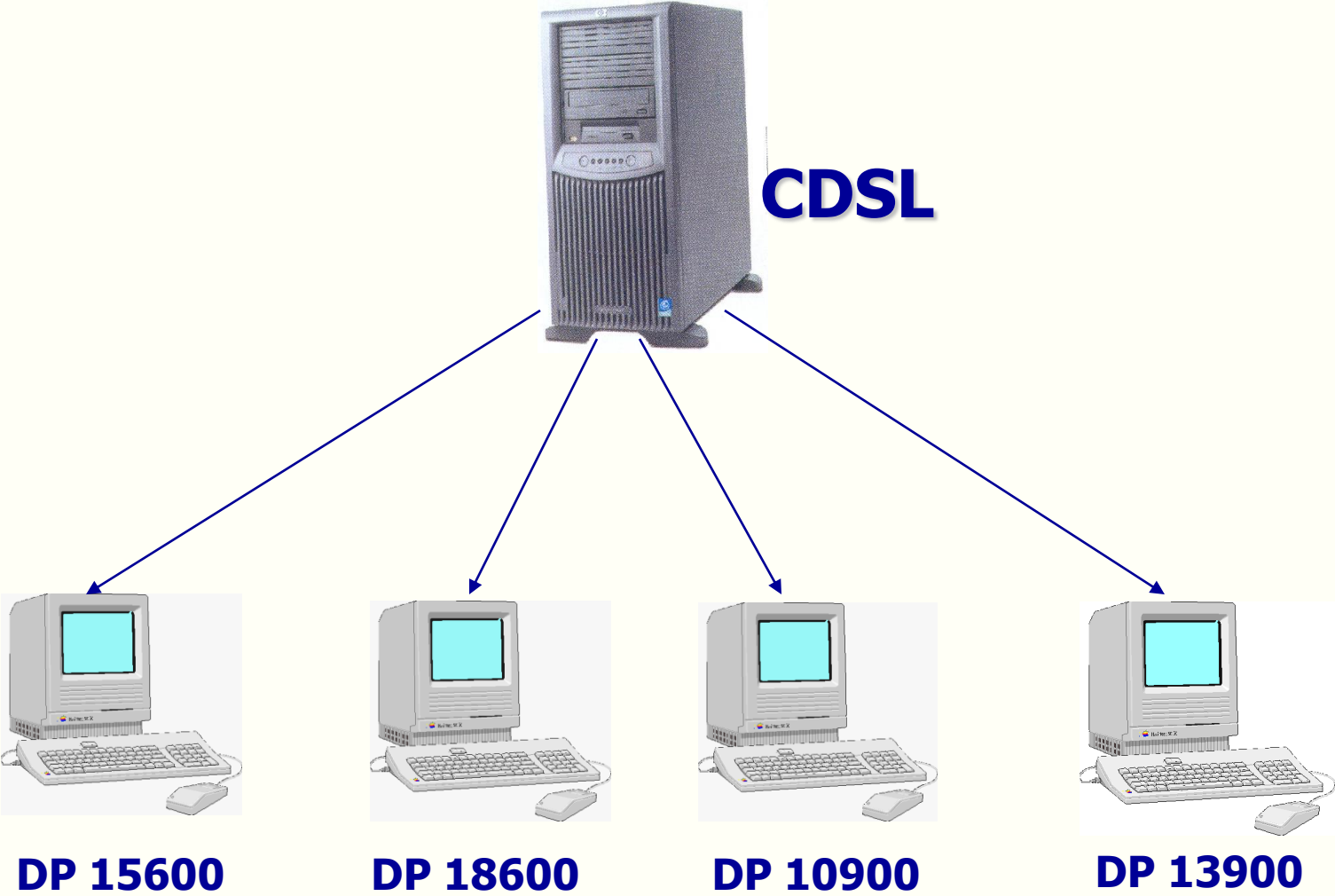


Records to be maintained

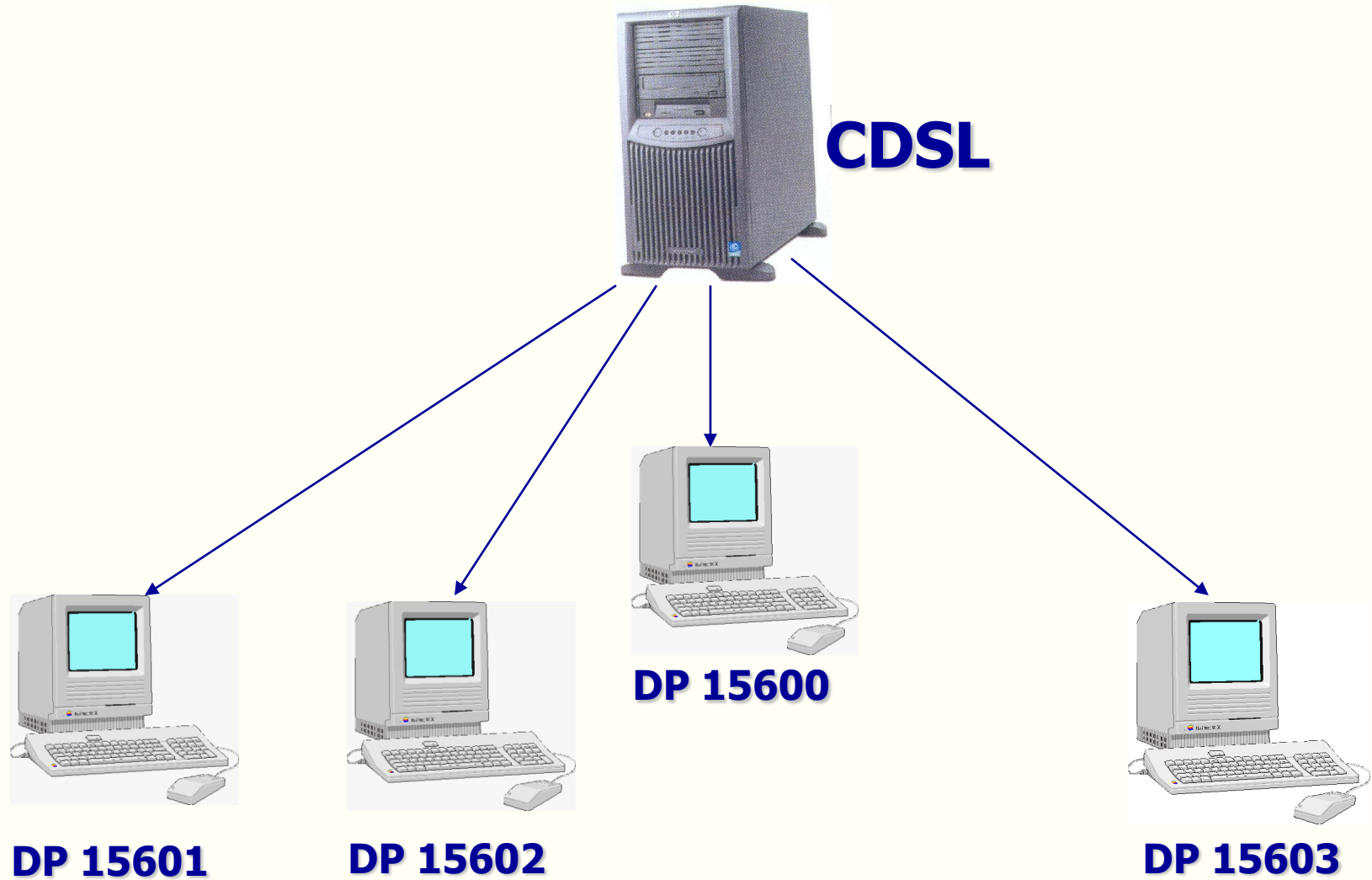
- **Copy of the Remat request form**
- **Other supporting Documents**
- **All records to be retained for TEN years**



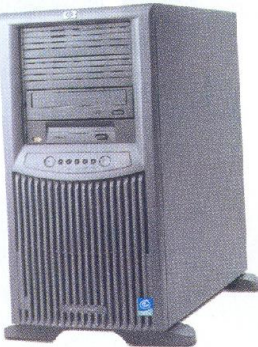
CDSL - DP Setup



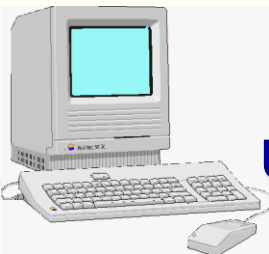
CDSL - DP – Live Branch Setup



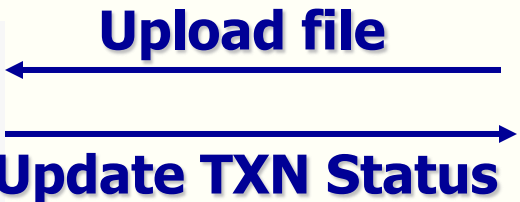
DP – Branch Setup – Back office Connected



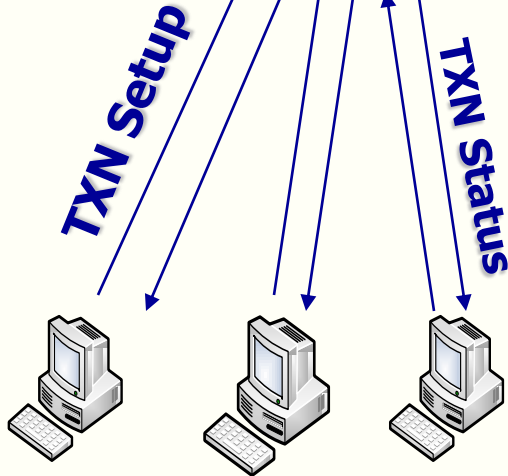
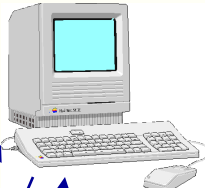
CDSL



DP SERVER



BACK OFFICE SERVER



Back office Connected Branches





REPORTS



TYPES OF REPORTS

- **Transaction Reports**

Reports for various transactions executed by DP

- **Master file Reports**

Reports generated for data created by CDSL



TRANSACTION REPORTS

1 Default Reports

- **Automatically generated for transactions setup in the CDSL system**
- **Reports generated at EOD, available next day morning**
- **E.g. Report DP 57 – Transaction Dump**
- **Report DP05 – Transaction – cum – Holding statement**



TRANSACTION REPORTS

2 Request Reports

- Reports made available on setting up request in the CDSL system
- User to select the selection criteria for report generation
- Report format fixed. Contents restricted
- Reports generated at EOD, available next day morning
- Eg : Report DPC3 – Signature download
Report DPS8 – Client Master



TRANSACTION REPORTS

3 Online Reports

- **Report can be setup anytime between SOD to EOD**
- **Reports made available immediately on setting up request in the CDSL system**
- **Allows user to select the criteria for which the report is required**
- **Eg : Report DPC9 – Online report DP05**
Report DPS9 – Online report DPS9



TRANSACTION REPORTS

4 Scheduler Reports

- **CDSL schedules reports and sends to DPs at frequent intervals during the day**
- **Reports generated between SOD to EOD**
- **Message displayed on screen when report is generated. Opconsole to be kept on**
- **Eg : Report DP89 – Overdue tracking report
Report DPM4 – Holding Dump**



TRANSACTION REPORTS

5 Reports for Uploads

- **Reports generated whenever transaction batches uploaded to CDSL**
- **Typically success / failure reports, giving details of records successful / failed**
- **Message displayed on screen when these reports are generated**
- **E.g. Report DPM6 - Success/ Failure report for common upload**



DISTRIBUTION OF REPORTS

- **Typically reports distributed (downloaded) through Operator Console (PUSH)**
- **Reports can also be “Pulled” and “Viewed” whenever required**
- **Reports get downloaded in Q:\Reports folder in compressed form**



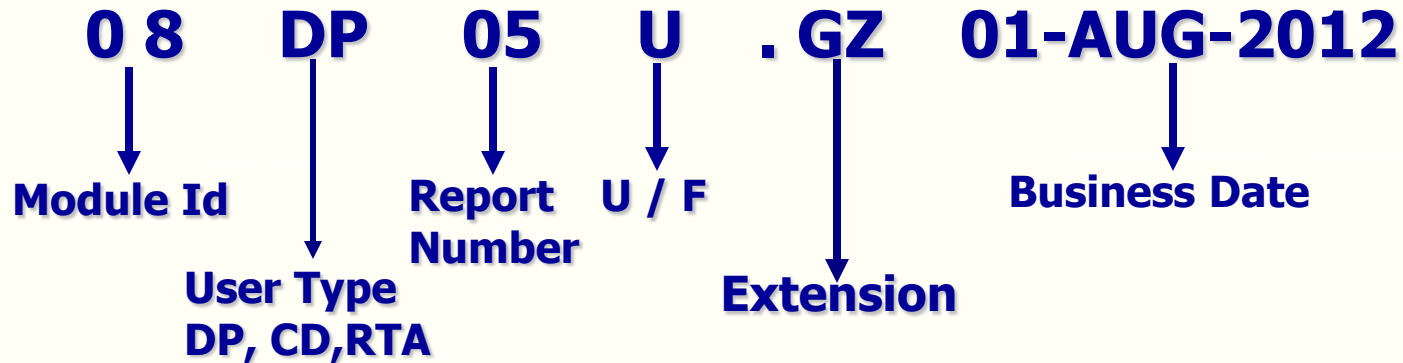
DISTRIBUTION OF REPORTS

- **When Reports Module starts, automatic decompression of reports takes place and reports move to folder**
Q:\Reports\1\<>DPID> \<>Business Date>
- **Reports must be pulled daily and stored for future reference**
- **Payment of charges for getting old reports**



TRANSACTION REPORTS

REPORT FILE NAMES



MASTER FILE REPORTS

- **Master file details stored in DP front-end**
- **Master file details updated on execution of Transfer files / Update Database**
- **Viewing of master file details**
 - **Module "Master files"**
- **Download master file Reports**
 - **Module "Reports"**



MASTER FILE REPORTS

- **Reports can be setup any time between SOD to EOD**
- **Reports made available immediately – no need to pull**
- **Reports used for updating back-office software**
- **Reports also available on incremental basis**



BACK-UP

- **Reports cannot be stored on Hard Disk endlessly**
- **Hard disk where CDSL application is stored should have minimum 1 GB space free space**
- **Back-up to be taken of Reports and Database**
- **Back-up should be taken on DVD / CD / TAPE or External hard disk**
- **For each day of the week separate media should be used for back-up i.e. different CD or tape for each day back-up**



Monday

Tuesday

Wednesday

Thursday

Friday

Saturday



BACK-UP

- **One copy of back up to be stored offsite**
- **Back Up register to be maintained**
- **Periodic Back Up to taken on MONTHLY Basis**
- **Once back-up has been taken, delete –**
 - **Business day folders for which back-up has been taken**
GZ files in Q:\Reports for which back-up has been taken
- **Separate server with same configuration can be used as back-up server**



Transaction

Balance Transfer – Within CDSL



Features

- **Instantaneous transfer of balances between two BO accounts of CDSL**
- **Buyer BO account is NOT with a Clearing house / corporation**
- **Transfer can be from**
 - **BO account to BO account**
 - **BO account to CM account [for Pay-in]**
 - **CM account to BO account [for Pay-out]**
 - **CM account to CM account**



Features

- **Only free balance can be transferred**
- **Insufficient Balance can not be transferred**
- **Settlement ID**
 - **Not required for Transfer from BO to BO**
 - **Mandatory for Transfer to / from CM a/c**



Procedure

- **Seller BO gives instruction to his DP**
- **Receipt Instruction not required if 'Purchase Waiver' in the buyer account is 'Yes'**
- **Instruction can be for**
 - **Current Business Date**
 - **Future Execution Date**
- **Instruction executed on the Execution Date**
- **Consideration / Purpose of transfer to be recorded for BO to BO transfer**



Procedure

Status of the instruction depends on

- Execution date
- Balance available in the seller BO account
- Purchase waiver flag in buyer BO account



Status of a transaction

- **Pending** - Transaction for future date
- **Settled** - Transaction executed, balance transferred
- **Overdue** - Insufficient balance in the seller BO account
- **Failed** - Balance not available till EOD
- **Cancelled** - Future dated transaction cancelled before execution
- **Alleged** - No Buy Transaction in the System.

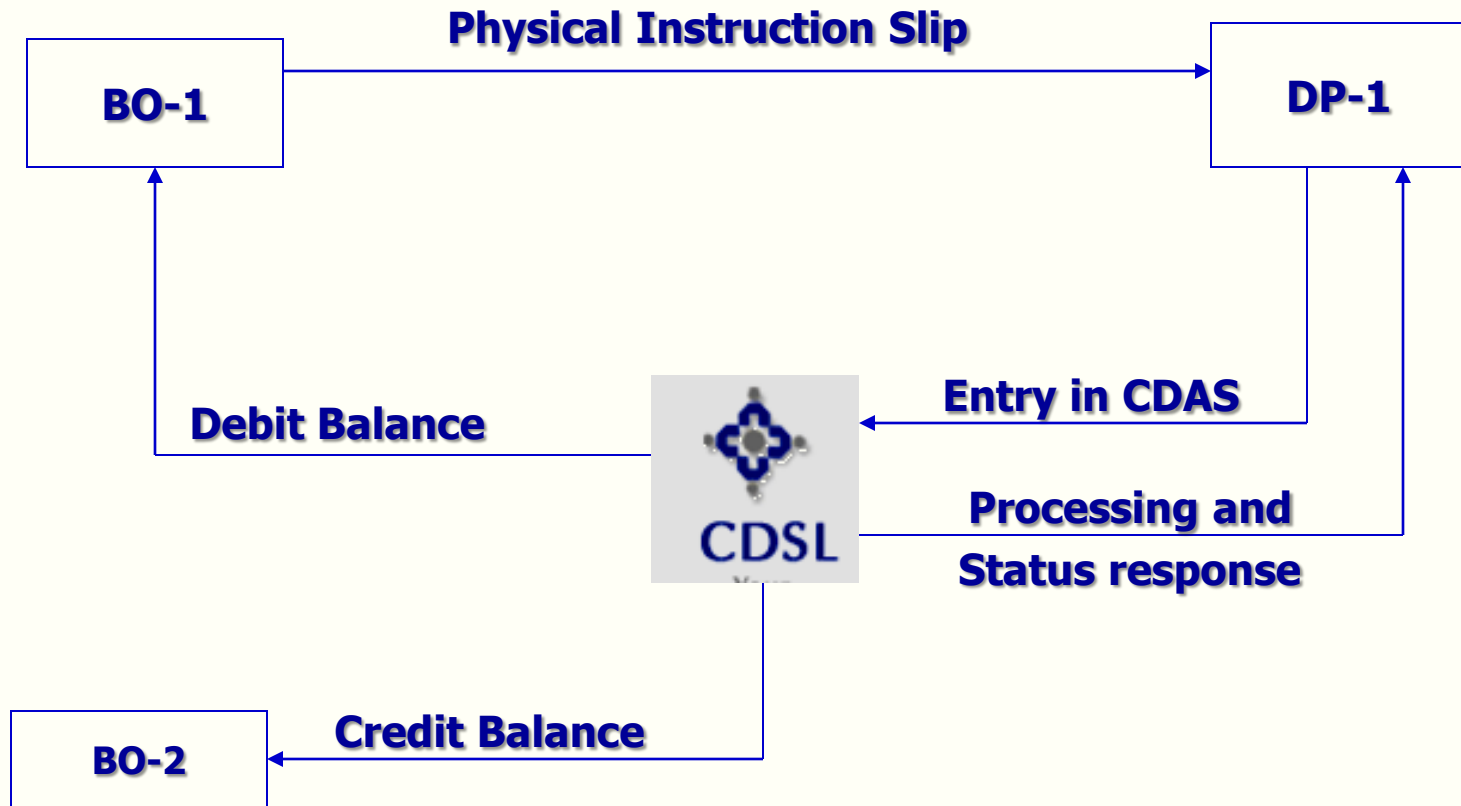


Reports

- **DP57 – Single Download Report**
 - ✓ Transaction within DP – Transaction Type - 2
 - ✓ Transaction across DPs – Transaction Type – 3
- **Common Upload –**
 - ✓ **DPM6 – Upload Response Report**



Transaction process flow



Inter-Depository Transfers

Balance Transfer – Outside CDSL



Features

- **Facilitates transfer of balances from an a/c of one depository to an a/c of other depository**
- **Securities are earmarked for transfers only on Execution Date**
- **Maker / Checker feature available**
- **Transfer is instantaneous**
- **Insufficient balances are not allowed**



Benefits

- **Transfer of balances at the convenience of investors, CMs**
- **Pay-out securities available for immediate use**
- **Reduction of the risk especially for high value transactions**



Prerequisites

- **Depositories must have electronic connectivity**
- **BO / CM accounts should be active with the respective depositories for successful transfer**
- **ISIN should be active in both the depositories**



Procedure

- **For execution date as current business date**
 - **Entry of on line instructions permitted from SOD**
 - **Till 8:00 pm (CDSL System Time) on week days**
 - **Till 2:30 pm (CDSL System Time) on Saturdays**
- **For execution date as future business date transactions can be entered from SOD till EOD on any business day**



Procedure

- **For Execution date as Current Business Date**
 - **Upload of instructions permitted from SOD**
 - **Till 7:30 pm (CDSL System Time) on week days**
 - **Till 2:00 pm (CDSL System Time) on Saturdays**
- **For Execution date as Future Business Date**
transactions can be uploaded from SOD till EOD on any business day



Procedure

- **Seller DP creates transaction, with buyer account details**
- **Buyer DP creates transaction with seller account details (not required in case purchase waiver is 'Yes')**
- **All on line instructions should be 'verified'**
- **All valid uploaded instructions are treated as 'verified'**



Procedure

- **Instructions are processed on FIFO basis**
- **Delivering depository earmarks balances in the seller's account**
- **All Earmarked instructions are digitally signed and sent to other depository**



Procedure

- **Receiving depository matches and confirms either 'Acceptance' or 'Rejections' in its response**
- **In case of acceptance, balances are debited and moved to other depository**
- **In case of rejection balances are reverse earmarked**



Status

- **To be verified**
- **Verified**
- **Overdue**
- **Earmarked**



Status

- **Sent to other depository**
- **Confirmed by other depository**
- **Rejected by other depository**
- **Closed and Settled**
- **Closed and Unprocessed**

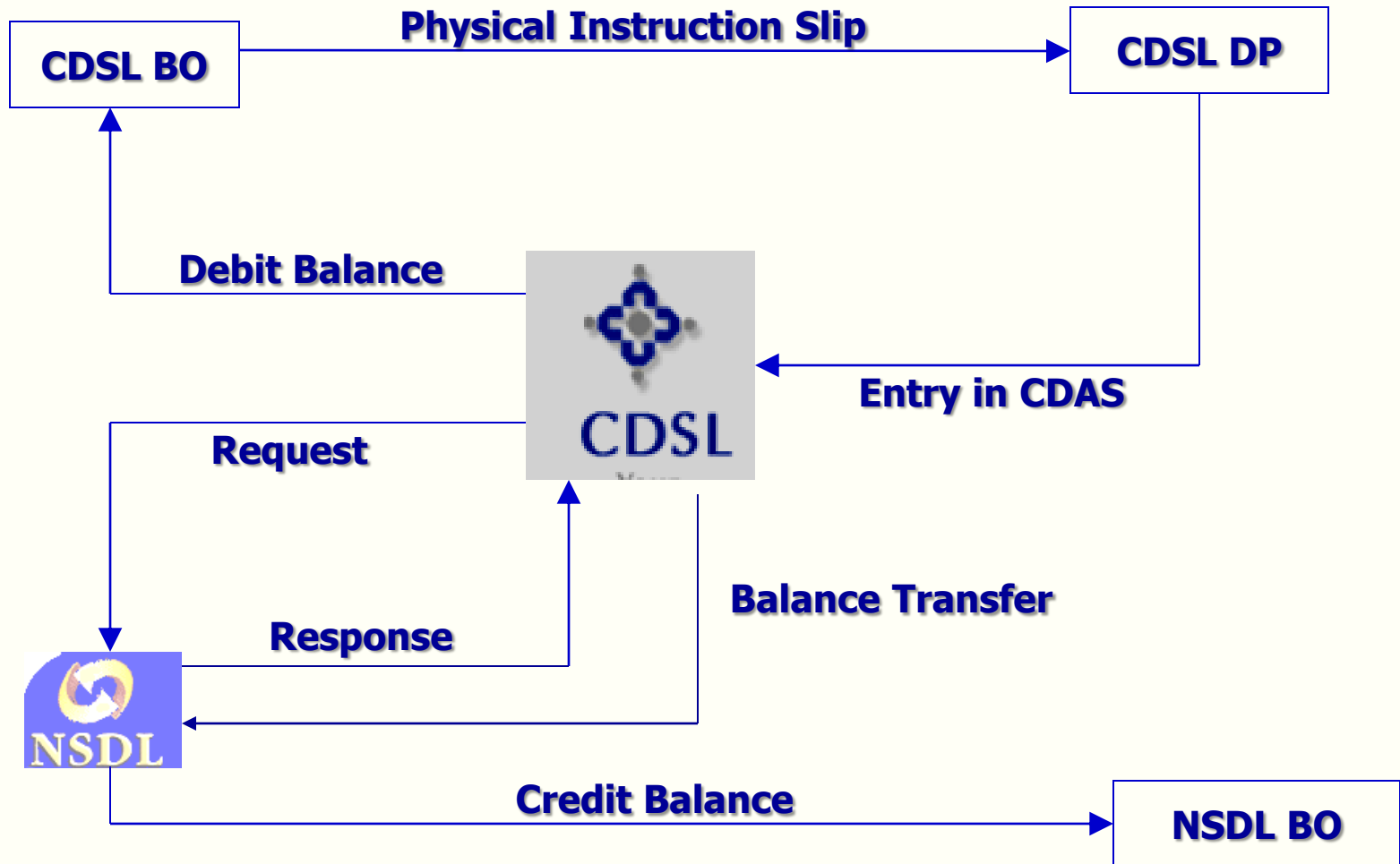


Reports

- **DP57 – Single Download Report**
 - ✓ **Inter-depository Transfers – Transaction Type – 5**
- **Common Upload –**
 - ✓ **DPM6 – Upload Response Report**



Inter Depository Process Flow



Settlement Transfer



Entities involved

- **Clearing House / Clearing Corporation (CH/CC)**
- **Clearing Member (CM)**
- **Central Depository Services (India) Limited (CDSL)**
- **Depository Participant (DP)**
- **Beneficial Owner (BO)**



Accounts involved

- **BO Account**
- **CM of BSE & BSE-SLB**
 - **CM Principal Account**
 - **CM Unified Settlement Account [BSE Pool]**
 - **Early Pay-in Account**



Accounts involved

- **CM of Other Exchanges [NSE, NSE-SLB, CSE, DSE, ASE, NCDEX, MCX etc]**
 - **CM Clearing Member Account [Pool Account]**
 - **Early Pay-in Account**



Types of Settlements

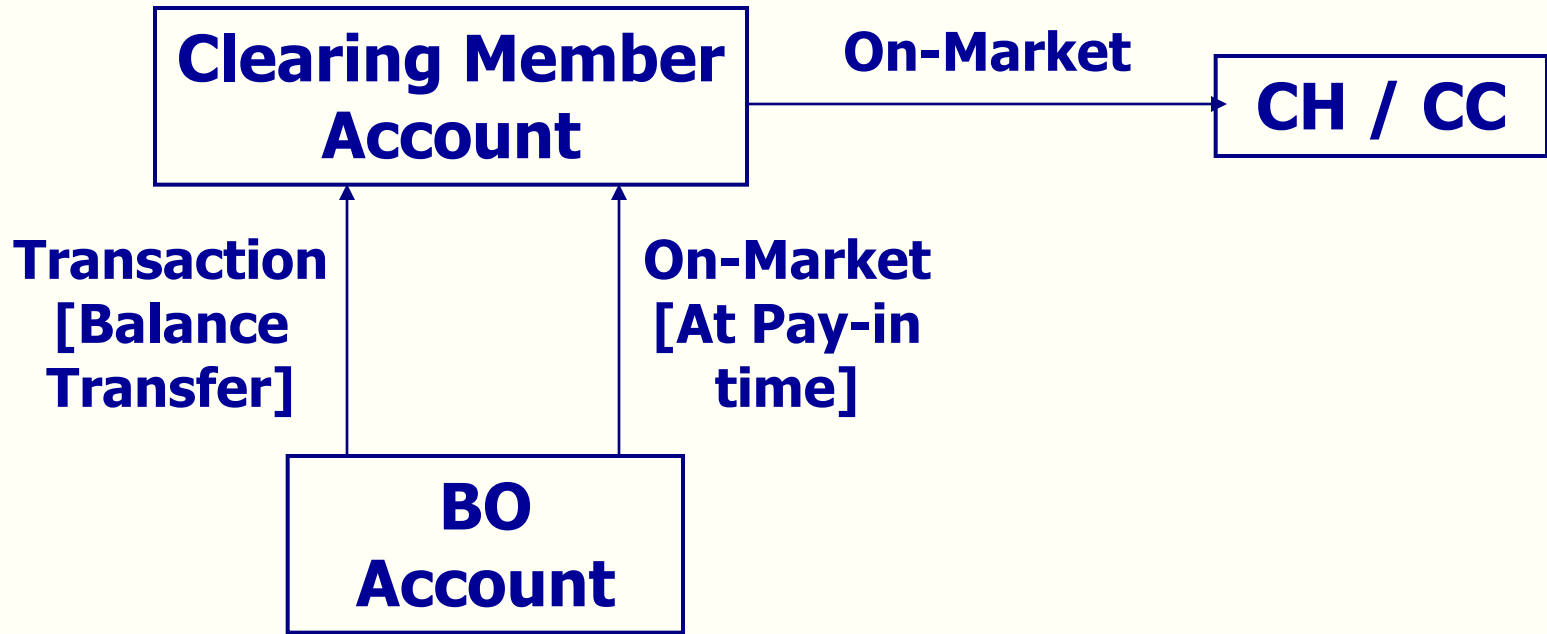
- **Rolling Market / Normal Rolling**
- **Auction Rolling / Normal Auction**
- **Trade to Trade**



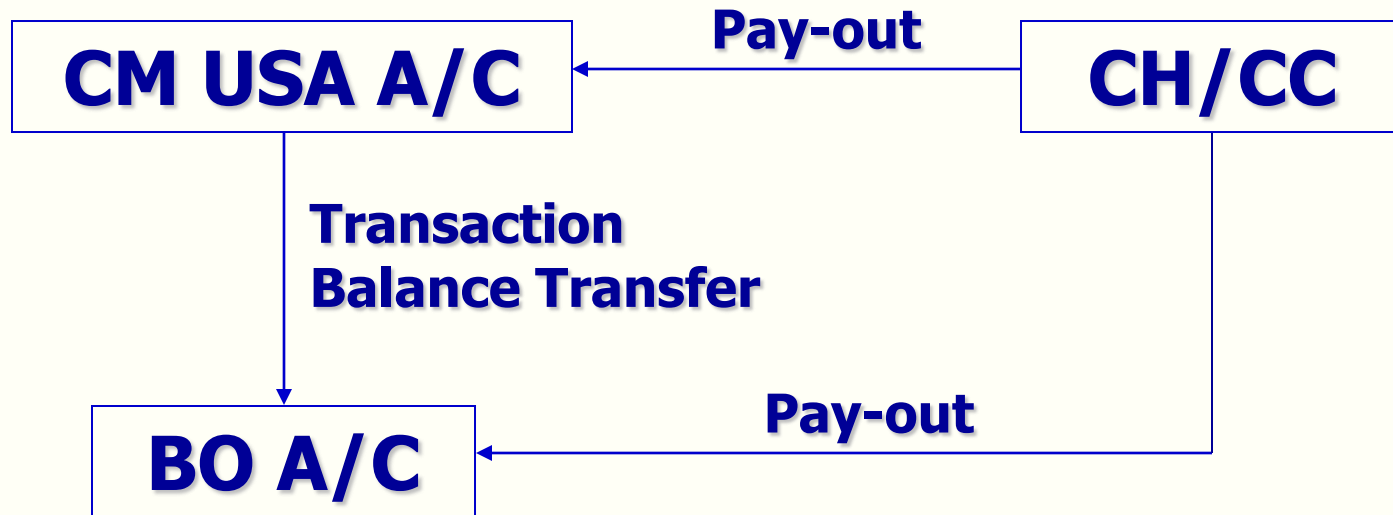
Options for Pay-in [BSE]



Options for Pay-in [OSE]



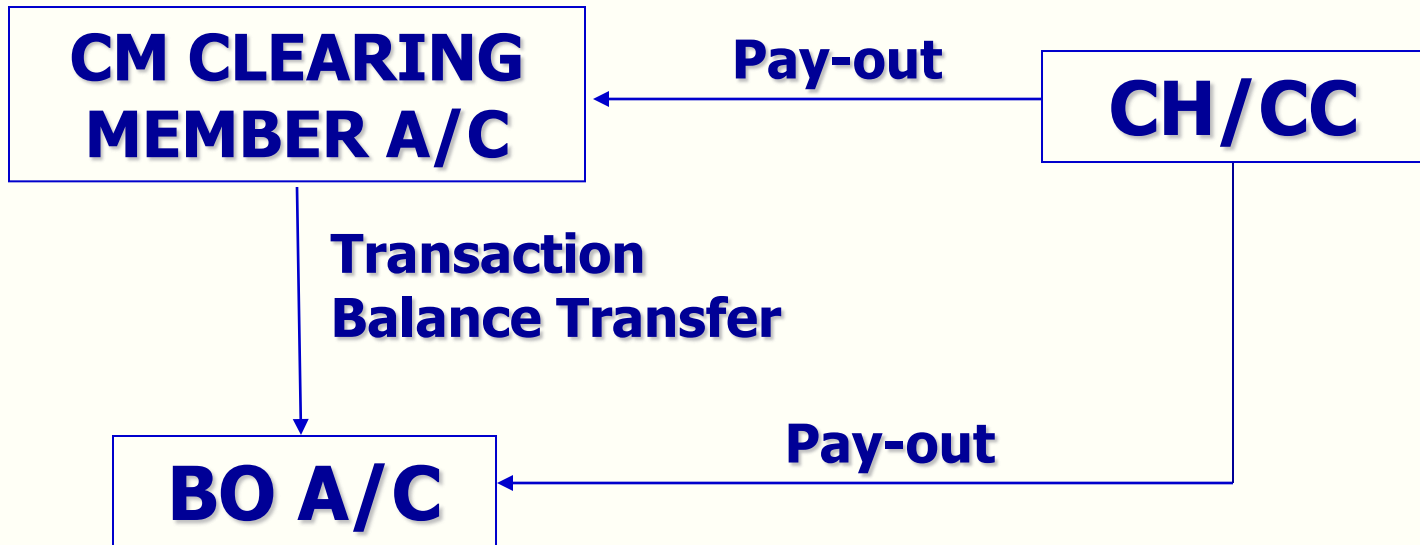
Options for Pay-out (BSE)



**CM gives breakup to
CH/CC**



Options for Pay-out (OSE)



CM gives breakup to CH/CC



Types of Pay-in

- **Normal Pay-in**
- **Early Pay-in**
- **Auto Pay-in**



Normal Pay-in

- **Pay-in from CM Principal Account [Applicable only in case of BSE] – CM Level Pay-in**
- **CM [BSE] required to give Normal Pay-in Instruction [i.e. BO Obligation Confirmation]**
- **CM [OSE] not required to give Normal Pay-in Instruction [Auto Sweep]**
- **Pay-in from BO account [BSE & OSE] – Client Level Pay-in**



Normal Pay-in

- **Setup / Upload is allowed from Start Trading Date till Pay-in Deadline**
- **Modification / Deletion is allowed till Pay-in Deadline**
- **Part balances are ALLOWED for Pay-in**



Early Pay-in

- **Setup / Upload is allowed from T-1 till exchange specific early pay-in deadline**
- **Setup / Upload allowed from**
 - ✓ **Client Account – Client Level Early Pay-in**
 - ✓ **CM Principal Account [BSE] / CM Pool Account [OSE] – CM Level Early Pay-in**
- **Benefits –**
 - ✓ **Exchange specific deadlines for benefits**
 - ✓ **Margin & Exposure**



Auto Pay-in (BSE)

- **One time Auto Pay-in request to BOISL**
- **BOISL generates Normal Pay-in Instructions [i.e. Auto DOs] from CM Principal Account on T+1**
- **Balances are swept from the CM's Principal Account to the extent Auto DO quantity**
- **Part balances are allowed for pay-in**



Auto Pay-in (OSE)

- **Not required to give Auto Pay-in request to respective CC-CH**
- **Balances in the respective settlement pocket are automatically swept from CM's Pool Account**
- **Part balances are allowed for pay-in**



Status

- **Setup [All Exchanges – Till Pay-in]**
- **Transferred to CM Account [OSE – After Pay-in]**
- **Partially Transferred to CM Account [OSE – After Pay-in]**
- **Transfer to CM Account Failed [OSE – After Pay-in]**
- **Earmarked [BSE – Between Pay-in & Pay-out]**
- **Closed and Settled [BSE – After Pay-out]**



Reports

DP57 – Single Download Report

- **Pay-in**
 - ✓ **BSE Normal Pay-in – Transaction Type – 1**
 - ✓ **Early Pay-in [All Exchanges] – Transaction Type – 4**
 - ✓ **OSE Client Level Pay-in – Transaction Type – 30**
- **Pay-out**
 - ✓ **BSE Pay-out [1st Stage] – Transaction Type – 14**
 - ✓ **BSE Pay-out [2nd Stage] – Transaction Type – 28**
 - ✓ **OSE Pay-out – Transaction Type – 16**
- **DPM6 – Common Upload response report**



Overdue tracking through DP89 report

- **DP89, a single report available through the DP, with whom the CM's Principal Account [BSE] / Clearing Member Account [OSE] is maintained**
 - **Contain the details of**
 - **Early pay-in**
 - **Normal pay-in**
 - **Auto pay-in**
-continued**



Overdue tracking through DP89 report

- **Against each BO confirmation [on-market instruction] the probable shortage quantity, if any, will be displayed**
- **Actual pay-in shortages available after pay-in**
- **Information also available through settlement module - inquiry menu with print option**
- **Generated on hourly basis**



Example

- **CM has net delivery obligation of 1,000 shares [DP₁]**
- **CM has opted for Auto Pay-in, hence CH generated delivery obligation from his principal account**

.....continued



Example

- **CL₁ does an early pay-in of 200 shares [DP₂]**
- **CL₂ gives BO confirmation [on-market] instruction for 300 shares [DP₃]**
- **CM makes early pay-in from principal account for 150 shares [DP₁]**

.....continued



Example

Balance in -

- **CM principal account – 750 shares**
- **CL₁ account – 200 shares**
- **CL₂ account – 50 shares**



DP89 – Before pay-in

DP	Account	Qty	Pay-in type	Probable Shortage	Transaction Status
DP ₂	CL ₁	200	E [Early pay-in]	0	C [Closed Settled]
DP ₃	CL ₂	300	N [Normal pay-in]	250	S [Setup]
DP ₁	Principle	150	E [Early pay-in]	0	C [Closed Settled]
DP ₁	Principle	1,000	A [Auto pay-in]	400	S [Setup]



DP89 – After pay-in

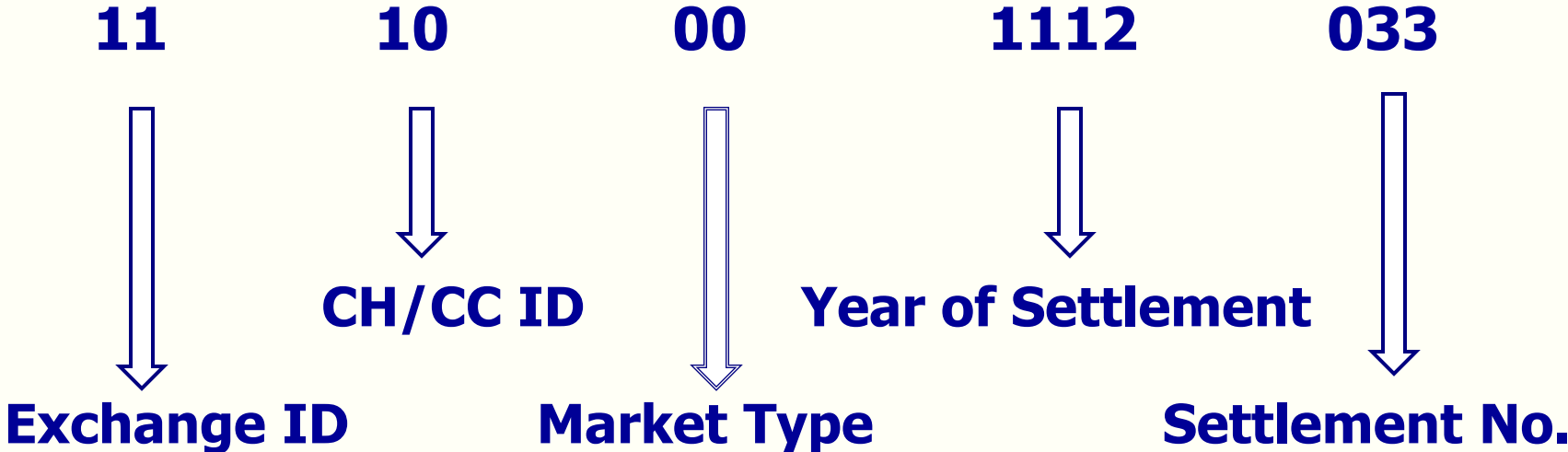
DP	Account	Qty	Pay-in type	Earmark Shortage	Transaction Status
DP ₂	CL ₁	200	E [Early pay-in]	0	C [Closed Settled]
DP ₃	CL ₂	300	N [Normal pay-in]	250	S [Earmarked]
DP ₁	Principle	150	E [Early pay-in]	0	C [Closed Settled]
DP ₁	Principle	1,000	A [Auto pay-in]	0	S [Earmarked]
Auto pay-in – Early pay-in – Normal pay-in				=	Auto pay-in Qty
1,000		- 350	- 50	=	600



Settlement ID Format

Break up of 13 digits Settlement ID

Example - 11 10 00 0910 033



Database Administration



Introduction

- **Set up system parameters**
- **User profile**



Options

- **Courier Information**
- **DS Purge**
- **Gateway**
- **Printer Set Up**
- **Purge Temporary File**
- **User**
- **Workstation**



Courier Information

- **Details of courier company handling physical transfer of documents.**
- **It relates to Demat module**
- **Register the information with CDAS**
- **Multiple courier companies can be registered**



DS Purge

- **DS – Delivery System**
- **Data is grouped in 2 categories:**
 - 1. Financial**
 - 2. Miscellaneous**
- **To set up intervals for purging old records**
- **Default intervals 180 days**
- **Can be changed from 1 to 999 days**



Gateway

- **Connects CDAS front end to back end**
- **Parameters set up at the time of installation**
- **DP should not change any parameters in Gateway**



Printer Set up

To be set up at the time of installation or if modifications are required to be done



Purge Temporary Files

- **To delete temporary files created in the hard drive of the user.**
- **It releases the storage space in the hard drive.**
- **API_SEQ file should not be deleted**



Workstation

- **Used in case of multi user environment.**
- **Parameters are same as that of Gateway.**
- **Changes should not be made without the help of CDSL officials.**



User

- **User Class Information**
- **Several classes of users have been created by CDSL which can be viewed by DPs.**
- **All rights have been allocated to all classes of User by CDSL.**



User Information

- **To create user**
- **To modify the status of the user**
- **To delete existing user**



Variable Access Rights Scheme

User Class

```
graph TD; UC[User Class] --> U[For each user]; UC --> UCat[For each user class];
```

For each user

Login ID

Password

Access Time

For each user class

Modules

Events in the modules



Password Conventions

- **Minimum 8 Characters**
- **Alphanumeric**
- **Alphabets a to z , A to Z & Numbers 0 to 9**
- **Minimum 2 alphabets or 2 nos.**
- **Case Sensitive**



Password Conventions:

- **Valid for 30 days**
- **New password must contain 4 character different from previous one**
- **Previous passwords cannot be reused**



Audit Compliance

'Variable access rights' scheme suggested by CDSL if not implemented will be treated as non-compliance



Pledge / Unpledge / Confiscation



Definitions

- **Pledge -**
Taking advance against the dematerialized securities
- **Pledgor**
The BO taking advance against dematerialized securities
- **Pledgee**
The BO giving advance against dematerialized securities



Definitions

- **Unpledge**

Release of pledged securities when pledge obligation is fulfilled

- **Confiscation / Invocation**

Confiscate / Invoke the pledged securities, if the pledge obligation is not fulfilled

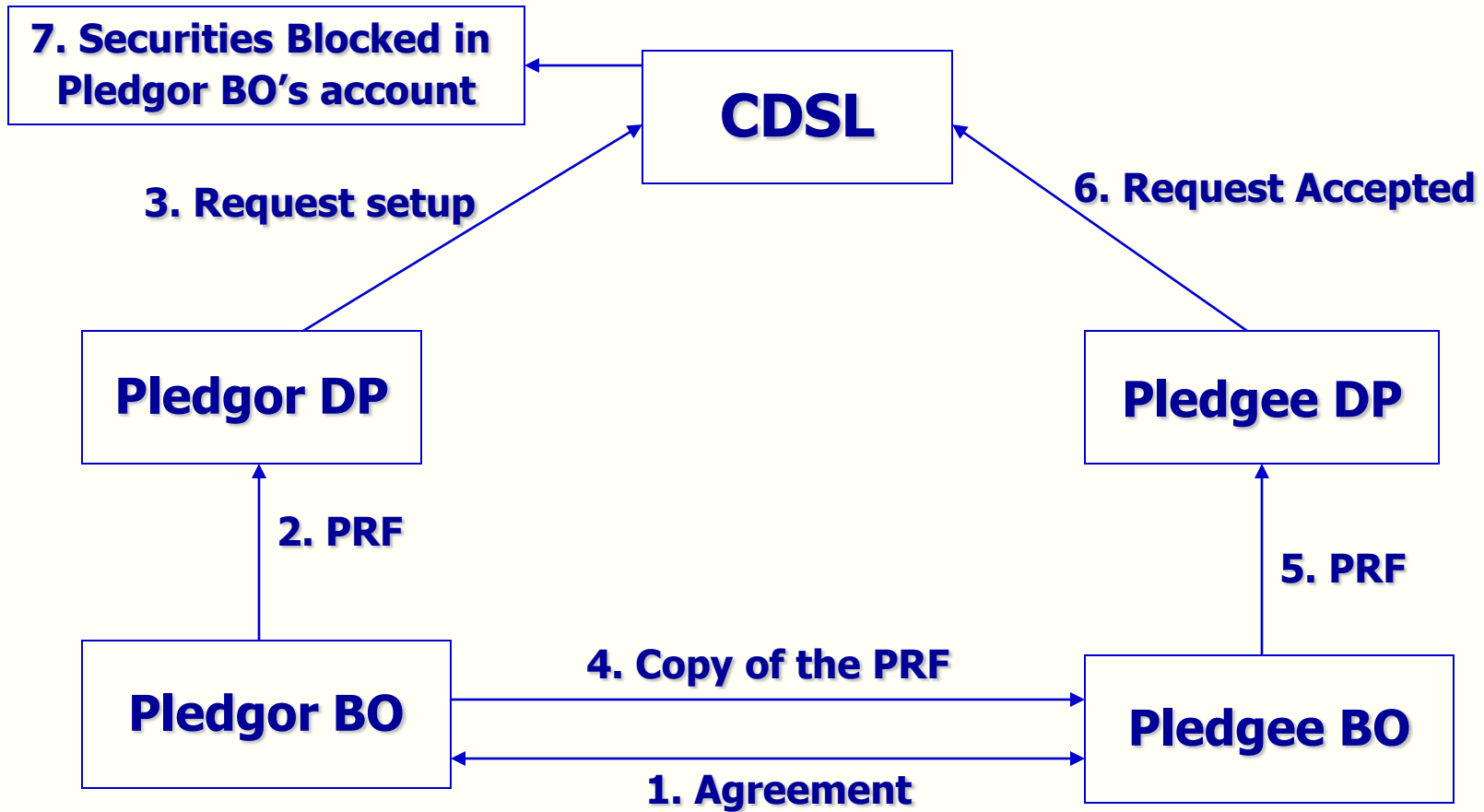


Pre-requisites

- **Pledgor and Pledgee should have an Active account with CDSL**
- **ISIN should be Active**

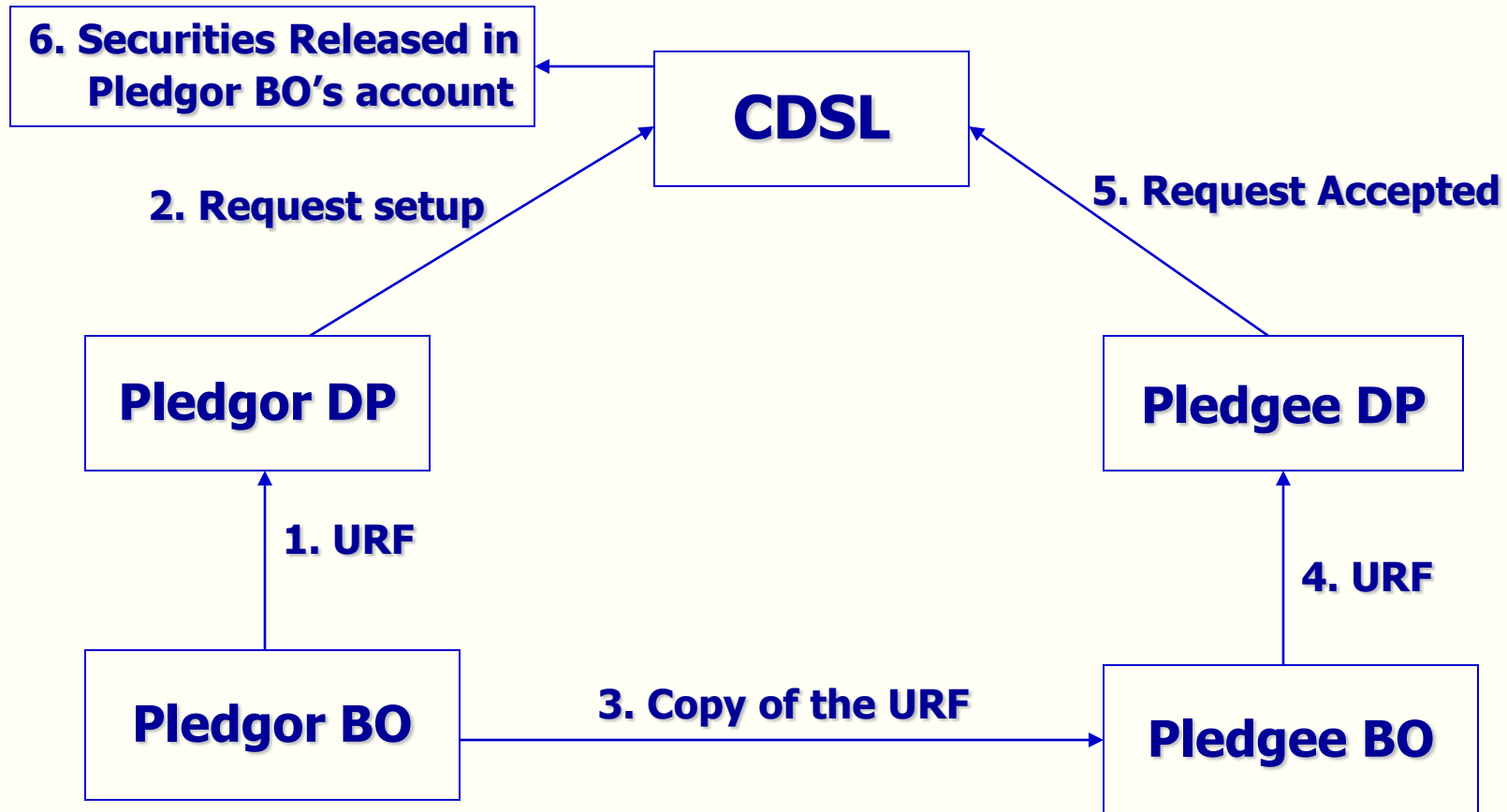


Pledge Process Flow



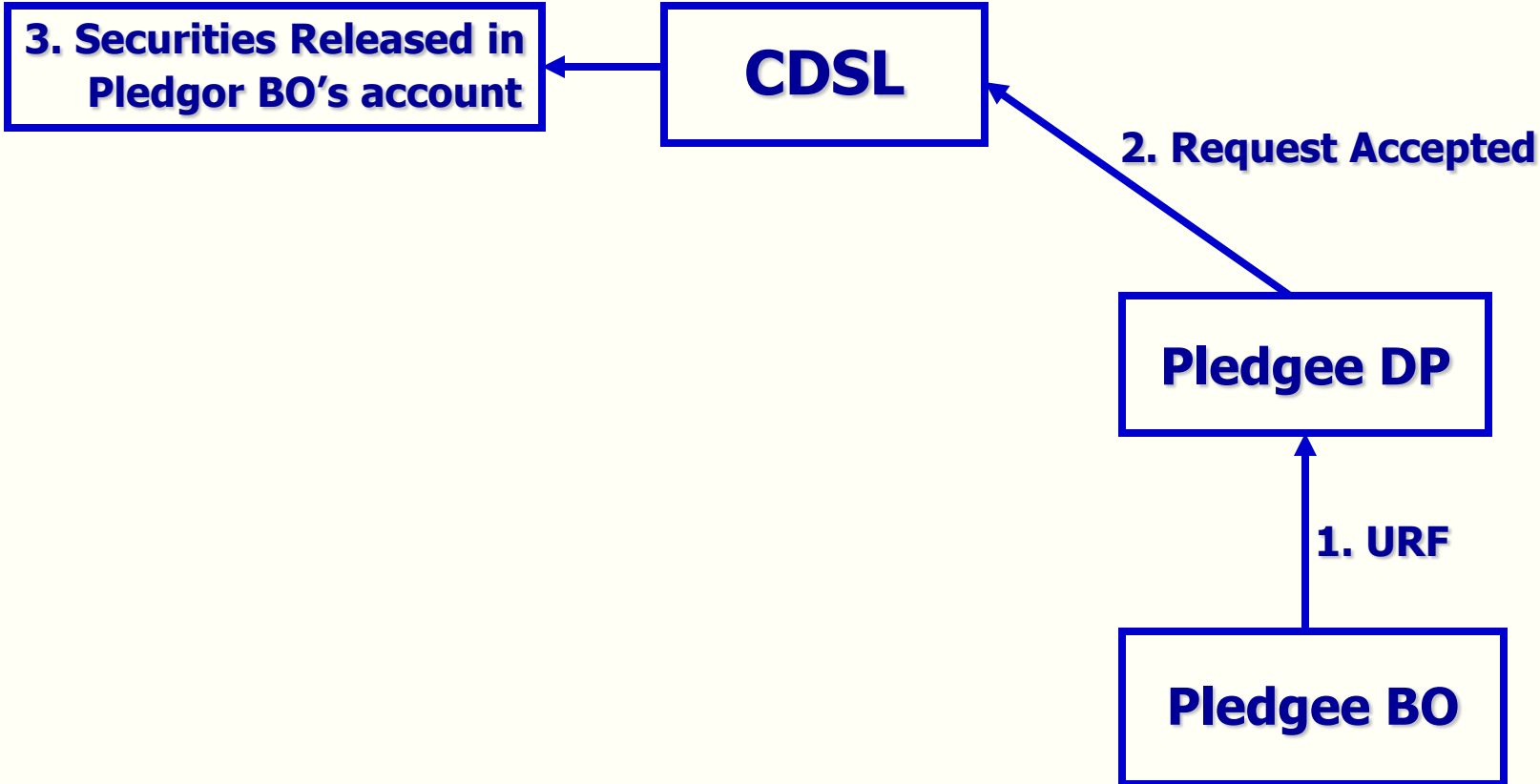
Unpledge Initiated by pledgor

Process Flow

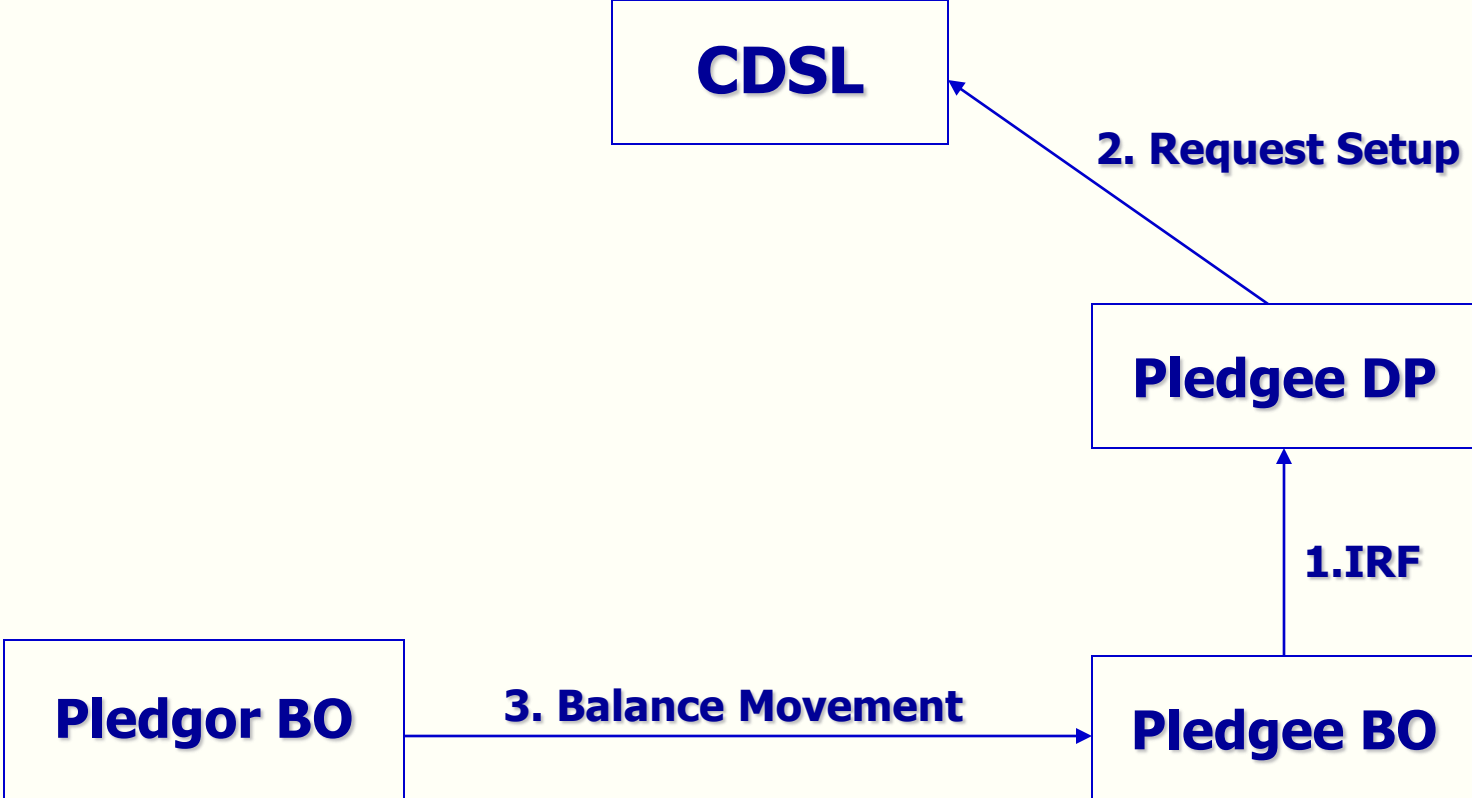


Unpledge Initiated by Pledgee

Process Flow



Invocation Process Flow



Reports

- **DP57 – Single Download Report**
- **Transaction type**
 - **Pledge – 8**
 - **Unpledge by pledgor – 9**
 - **Unpledge by pledge – 10**
 - **Invocation - 11**



Points to remember

- **Free as well as lock-in securities can be pledged**
- **Beneficial interest in the securities pledged remains with the Pledgor**
- **Part unpledging / invocation under a Pledge Sequence Number (PSN) allowed**
- **Balance moves from pledgor' s account to pledge's account only in case of confiscation**



Freeze / Unfreeze



Freeze can be Initiated by

- **BO**
- **DP**
- **CDSL**

Freeze Can Be On

- **BO Account**
- **ISIN of a BOID**
- **Partial Quantity in an ISIN of a BOID**



Freeze can be for

- **Unlimited period**
- **Limited period**

Freeze can be Activated

- **Immediately**
- **Future Date**



Freeze can be on

- **Debits**
- **Credits**
- **Both Debits & Credits**



Freeze – BO Initiated

- **Freeze Request from BO**
- **Enter Freeze Request on system**
- **Letter to be given to BO**



Freeze – DP Initiated

- **Notice/Order from Statutory Body**
- **Lien on securities with after CDSL approval**
- **Internal Request of DP**
- **Enter Freeze request on system**
- **Freeze Letter generated**
- **Freeze Letter to be kept on records**



Unfreeze

- **Auto (Freeze up to date)**
- **Obtain letter from BO**
- **Enter Unfreeze Request on system**
- **Letter generated**
- **Unfreeze Letter to be issued to BO**



Reports

- **DP57 – Single Download Report**
- **Transaction type - 12**



Transfer and Transmission



Features

- **In the event of death of the account holder**
- **Two methods of transfer**
 - **From one account to multiple accounts – ISIN wise**
 - **From one account to other account all balances**



Features

- **From one account to multiple accounts – ISIN wise**
 - **BO X has ISIN ABC Balance 300**
 - **100 to X1**
 - **100 to X2**
 - **100 to X3**
 - **BO X has ISIN ABC Balance 100,
ISIN XYZ Balance 100**
 - **100 ABC to X1**
 - **100 XYZ to X2**



Death of Sole Holder – Nomination Present

- **The Nominee should have a demat account**
- **Otherwise, open the new account**
- **Nominee to submit following documents:**
- **Transmission Request Form**
- **Original death certificate / or copy of the death certificate duly notarized / attested by a Gazetted Officer**
- **Client master report (if with other DP)**



Death of Sole Holder - No Nomination (Successors Present)

Successor (s) to submit –

- Transmission Request Form**
- Original or copy of the death certificate duly notarized / attested by a Gazetted Officer**
- Client master report and**
- Succession certificate or**
- Letter of Administration or**
- Probate of the will of the deceased BO**



Death of Sole Holder – No Nomination (Successors Present -value of sec is <1 lac)

- **Transmission Request Form**
- **Original or copy of the death certificate duly notarized / attested by a Gazetted Officer**
- **Client master report**
- **Letter of Indemnity– Non Judicial Stamp paper**
- **Affidavit – Non Judicial Stamp paper**
- **NOC from all legal heirs**



Death of Sole Holder - No Nomination (Successors Present)

- **The DP to check the above documents**
- **Verify the details in the form with details available at CDAS**
- **Set up a transmission request through Transmission module**
- **Give a statement of balances to the new BO**



Procedure - Death of a Joint Holder

- **Open a new account in the name of surviving holders only**
- **Order of name should be the same**
- **No additional A/c opening documents**
- **If the first holder is different - KYC required**
- **Declaration – Transactions are authentic**



Procedure - Death of a Joint Holder

- **Transmission Request Form**
- **Original or copy of the death certificate duly notarized / attested by a Gazetted Officer**
- **Client master report**



Procedure - Death of a Joint Holder

- **Set up a Transmission request**
- **Transfer all balances to the new account**
- **Give a statement of balances to the new BO**



Transmission – Inter Depository Transfer

- **Client Master Report of new account duly signed & stamped**
- **Order of names should be same**
- **Transaction thru Inter Depository Module**
- **Account Closure Request Form**



Transmission – Inter Depository Transfer

- **Declaration – All transactions are authentic**
- **Return all unused Debit Instruction slips**
- **Apply for waiver of charges**
- **Close the deceased BO's Account**



Account Transfer Facility – Within Depository

- **Open a new account with another DP in the same order of names**
- **Client Master Report duly signed & stamped**
- **Declaration – Transactions are authentic**
- **Account Closure Request Form with remark “Shifting of Account”**
- **Return all unused Debit Instruction slips**



Account Transfer Facility – Within Depository

- **Enter the transfer request**
- **Only Free balances will be transferred**
- **Status of the account will be changed to 'To be Closed'**



Account Transfer Facility– Inter-Depository

- **Client Master Report duly signed & stamped**
- **Obtain DIS for Inter-Depository Transfer**
- **BO to return all unused DIS**
- **Declaration – Transactions are authentic**



Account Transfer Facility– Inter-Depository

- **Enter the transfer request using Inter-Depository**
- **Submit photocopies for waiver**
- **Only free balance will be transferred**
- **DP should initiate account closure**



Change in name of BO on marriage

- **Pan Card in the married name**
- **Marriage certificate of the BO**
- **Declaration – All transactions are authentic**
- **Account Transfer Facility**



Reverting to maiden name

- **Pan Card in the maiden name**
- **Marriage certificate of the BO**
- **Divorce Certificate or order of the court**
- **Account Transfer Facility**



Name change by notification in official Gazette

- **Pan Card in the new name**
- **Original Gazette notification/copy notarized or attested**
- **Account Transfer Facility**



Records

- **Copies of Transmission Forms**
- **Copies of death certificates of the deceased Beneficial Owner**
- **Letter of administration**
- **Probate of the will of the deceased**
- **Succession Certificate**
- **Correspondence with the successor's, if any**



Reports

- **DP 57 – Single Download Report**
- **Transaction type**
 - **One to Many – 17**
 - **One to one & account transfer - 18**



Uploads



Uploads

- **Provided for all transactions**
- **Transaction batch to be created in back office**
- **Authorized user to upload the batch to CDAS**
- **Success / failure report generated for each upload**
- **Op Console should be on**



Uploads

- **Each file contains a control record and data records for verification**
- **Files to be copied on hard disk and then uploaded**
- **Folder name on hard disk should not contain embedded spaces**

TXN UPLOAD	INCORRECT
TXNUPLOAD	CORRECT



Upload File Name convention – Separate Upload

- **Two Digit Module ID allocated for each module**
- **File Name - NNXXXXXX.YYYYYY – 0815600.00123**

NN - Module id - 08

XXXXXX - DP ID - 015600

YYYYYY - File Sr. Number - 00123



Upload File Name convention – Common upload

- Upload ID - 18

- File Name

<Upload ID><Six Digit DP ID>.<Business Date>.<3, 4, and 5 digit running serial number>

- Sample File Name:

18021200.18042011.123



Upload Process

