CDSL/RCD/RTA/GENRL/2026/112 **April 13, 2026**

MASTER CIRCULAR FOR REGISTRAR & TRANSFER AGENTS (RTAs)

1. The Depositories Act 1996 (“the Act”), the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (“the SEBI Regulations”), the Bye-Laws of CDSL (“Bye-Laws”), Operating Instructions of CDSL (“Operating Instructions”), the various Circulars issued by SEBI and various Communiques issued by CDSL provide the framework for the Depository and RTAs to fulfil compliances relating to functions in the depository system.

2. Vide para 4.27 of SEBI Master Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/168 dated December 03, 2024 has instructed Depositories to issue the Master Circular consolidating all guidelines issued and applicable as on March 31 of every year, segregated subject-wise. SEBI has also directed that such Master Circular shall not include Bye-Laws, Rules (i.e. Operating Instructions in case of CDSL) and Regulations issued by Market Infrastructure Institutions (MIIs), Status of any compliance by the market participant and actions taken against any entity.

3. Accordingly, this Master Circular is a compilation of the relevant Communiqués pertaining to RTAs issued by CDSL up to March 31, 2026. The guidelines forming part of Bye laws and Operating instructions are not covered in the Master Circular. The user shall read the provisions mentioned in the Master Circular in concurrence with the relevant provisions of the Bye-Laws and Operating Instructions.

4. This Master Circular consists of 17 Chapters, list of abbreviations, communiques and rescinded communiques. The same shall come into force from the date of its issue. For ease of reference, each chapter of this communique contains footnotes corresponding to the respective communiques.

5. References in the Master Circular to the provisions/guidelines which now stand repealed, have been suitably updated.

   “Notwithstanding such rescission,

   a. *Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*

   b. *The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the* *rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded."*

RTAs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk, email may be sent to: dprtasupport@cdslindia.com and connect through our IVR Number 022-62343333.

For and on behalf of
Central Depository Services (India) Limited

sd/-

Meena Pednekar
Vice President – Admission, Compliance and Regulatory Cell

Master Circular for Registrar & Share Transfer Agents (RTAs)

March 2026

List of Abbreviations

Abbreviation (in alphabetical order)	**Expansion of Abbreviation**
A I & C	Audit Inspection & Compliance Department
ACA	Auto Corporate Action
AIF	Alternative Investment Fund
AMC	Asset Management Companies
AMFI	Association of Mutual Funds in India
AOA	Articles of Association
ASBA	Application Supported by Blocked Amount
BO	Beneficial Owner. (A Beneficial Owner / entity means a person whose name is recorded as such with a Depository)
BO ID	Unique Identification/Account Number of the Beneficial Owner
BOA	Basis of Allotment
BOD	Beginning of Day
BSE	BSE Limited
CA	Corporate Action
CAS	Consolidated Account Statement
CC	Clearing Corporation
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CM	Clearing Member
Communiqué	Communication / Circulars sent by CDSL to DPs/RTAs
CP	Commercial Paper
Demat	Dematerialisation
DIS	Delivery Instruction Slip
DN	Distinctive Number
DP	Depository Participant. (A Depository Participant is one who is admitted or “registered” as such by SEBI under Section 12 of the SEBI Act 1992 and CDSL, as a DP. A DP shall, for all practical purposes, be an agent of CDSL, performing functions assigned to it by CDSL).
DP ID	Unique Identification Number of the Depository Participant
DPs	Designated Persons
DRF	Dematerialisation Request Form
DRN	Dematerialisation Request Number
ED	Executive Director
e-DIS	Electronic Delivery Instruction Slip
ELSS	Equity Linked Savings Schemes
EOD	End of Day
ESOP	Employee Stock Ownership Plan
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivatives Association of India
ELSS	Equity Linked Savings Schemes
FPI	Foreign Portfolio Investor

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Abbreviation (in alphabetical order)	**Expansion of Abbreviation**
FPO	Follow-on Public Offer
IAR	Internal Audit Reports
ICCL	Indian Clearing Corporation Limited
IEPF	Investor Education and Protection Fund Authority
INSTANCE	Each case where the non-compliance or violation is observed
Inter-depository transactions	Transactions done for transfer of eligible securities from an account held in one depository to an account held in another depository
IPAs	Issuing and Paying Agents
IPO	Initial Public Offer
ISIN	International Securities Identification Number. (An ISIN is a code, which uniquely identifies specific securities of Issuers and is allotted, at the time of admission, in Depositories)
FPI	Foreign Portfolio Investor
ISSUER	Any person or entity making an issue of securities
KYC	Know Your Client
LOA	Letter of Allotment
MC	Member committee
MCA	Ministry of Corporate Affairs
MD	Managing Director
MF	Mutual Fund
MF-DRF	Mutual Fund Units Destatementization Request Form
MF-RRF	Mutual Fund Units Restatementization Request Form
MICR	Magnetic Ink Character Recognition
MII	Market Infrastructure Institutions
MIM	Multiple Investment Manager
MOA	Memorandum of Association
NAV	Net Asset Value
NCL	NSE Clearing Limited
NDU	Non-Disposal Undertaking
NISM	National Institute of Securities Market
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRI	Non-Resident Indian (residential status of an individual as defined in the Income Tax Act, 1961)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
OCCASION	The event during which the non-compliance or violation is observed example: Inspection
ODR	Online Dispute Resolution
PAN	Permanent Account Number
PIT	Prohibition of Insider Trading
QRTAs	Qualified Registrar & Share Transfer Agents
RBI	Reserve Bank of India

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Abbreviation (in alphabetical order)	**Expansion of Abbreviation**
Remat	Rematerialisation
ROM	Register of Members
SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI	Securities and Exchange Board of India
SEQUENCE NUMBER	Unique ID allocated by the CDSL system for each IPO / CA
SIP	Systematic Investment Plan
SMS	Short Message Service
SoA	Statement of Account
SOD	Start of the Day
SOP	Standard Operating Procedure
TPRF	Transposition Request Form
TRF	Transmission Request Form
UPI	Unified Payment Interface

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Chapter 1 : Dematerialisation and Rematerialisation of Securities

1.1. Mandatory Dematerialisation for Transfer of Securities

1.1.1. The Issuers/RTAs to refer to SEBI notification no. SEBI/LAD- NRO/GN/2018/24 dated June 08, 2018 for the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.[1]

1.1.2. As per the aforementioned amendment, requests for the transfer of securities will not be processed unless the securities are held in the dematerialised form with CDSL.

1.2. Delay for processing Dematerialisation Requests[2]

1.2.1. The dematerialisation process must be completed within 15 days from the date of physical receipt of the DRF by the Issuer/RTA or within such period as specified by CDSL from time to time.

1.2.2. RTAs are requested to adhere to the requirement of processing Dematerialisation requests within the stipulated time.

1.3. Rejection of Demat Requests

1.3.1 The dematerialisation process (acceptance / rejection) has to be completed within 15 days from the date of receipt of the documents from depository participants. [3]

1.3.2 If the demat request is rejected, the documents under objection shall be immediately sent back by the Issuers/RTAs to the DPs upon rejecting the request in the CDAS system. At the time of acceptance / rejection of a demat request, the date of receipt of the demat request has to be mandatorily entered. However, if the documents are not received by the Issuers/RTAs while rejecting the demat request, the Issuers/RTAs should enter the "setup date" as the "received date" of the demat request.

1.3.3 Issuers/RTAs must reject certificates if there is any change in the BO ID contained in the defacing stamp on the certificates and the change is not authenticated by the DP. [4]

1.3.4 If the physical certificates have not been received by the Issuer/RTA within 15 days (or within the period stipulated by CDSL from time to time) from the date of generation of the DRN, the RTA may reject the demat request after verifying the dispatch details of the request from the DP.

1.4. Indemnity for Shares Lost in Transit

1.4.1. In cases where physical shares have not been received by the RTA/Issuer within 30 days from the date of generation of the DRN by the DP, the Issuer/RTA shall contact the DP for dispatch details of the physical shares. [4]

1.4.2. Upon receipt of sufficient proof of dispatch from the DP and confirmation that the shares have

[1] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2018/81 dated July 06, 2018
[2] Reference: CDSL communiqué no. CDS/OPS/RTA/1 dated May 25, 1999
[3] Reference: CDSL communiqué no. CDSL/BDO/RTA/51 dated December 13, 2002
[4] Reference: CDSL communiqué no. CDS/OPS/RTA/16 dated December 1, 2000

not been returned undelivered to the DP, the Issuer/RTA shall accept the demat request based on the indemnity provided by the DP, along with proof of dispatch of the certificates or documents related to the said DRN.

1.4.3. In the case of loss of certificates in transit, the Issuer/RTA shall ensure that the indemnity is not accepted, and the DRN shall be rejected for reasons such as fake or forged certificates, court orders, or duplicate certificates already issued.

1.5. Simplification of procedure and standardization of formats of documents for issuance of duplicate certificates[5]

1.5.1. RTAs are advised to refer to the SEBI Circular no. HO/38/13/11(3)2025-MIRSD POD/I/1102/2025 dated December 24, 2025, regarding Ease of doing investment - Review of simplification of procedure and standardization of formats of documents for issuance of duplicate certificates.

1.5.2. With the objective of further simplifying the procedure of issuance of duplicate securities and to make it more efficient and investor friendly, it was decided to review the threshold and to simplify the documentation for issuance of duplicate securities certificates.

1.5.3. To facilitate ease of doing investment for investors, it has been decided to increase the threshold for simplified documentation from the current Rs. Five Lakhs to Rs. Ten Lakhs.

1.5.4. To simplify the documentation, it has been decided to:

1.5.4.1 prescribe a standardised Affidavit-cum-Indemnity bond;
1.5.4.2 rationalise the documentation for securities having value of more than Rs. Ten Lakhs; and
1.5.4.3 do away with notarisation of the Affidavit-cum-Indemnity bond for cases involving securities with value up to Rs. Ten Thousand.

1.5.5. These measures aim at ease of investments for investors and facilitate restitution of investor rights in securities. As duplicate securities issued would necessarily be in demat mode, this will result in increased dematerialisation.

1.6. Withdrawal of Demat Request

1.6.1. The Issuer/RTA shall reject the demat request electronically based on the following documents and inform both the DP and BO of the rejection : [6]
1.5.1.1 A letter requesting the rejection of the pending demat request,
1.5.1.2 A letter providing the DRN details, duly signed and stamped by the DP.

1.6.2. Based on the above, RTA shall reject the demat request electronically and intimate the BO(s) and DPs of the rejection of demat request.

1.7. Enhanced Due Diligence for Dematerialization of Physical Securities

1.7.1. Issuers/RTAs to refer to SEBI Circular no. SEBI/HO/MIRSD/ RTAMB/CIR/P/2019/122 dated November 05, 2019 regarding Enhanced Due Diligence for Dematerialization of Physical

[5] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/324 dated December 26, 2025
[6] Reference: CDSL communiqué no. CDSL/OPS/RTA/66 dated March 3, 2003

Securities. [7]

1.7.2. The listed companies / RTAs are directed to implement the following due diligence process:

1.7.2.1 All Listed companies or their RTAs shall provide and update data of their members holding shares in physical mode including details such as the name of shareholders, folio numbers, certificate numbers, distinctive numbers and PAN etc. (Static Database). They must validate the dematerialization request against the demat account holder(s) name as available in the records of CDSL.

1.7.2.2 In case of mismatch of name on the share certificate(s) vis-à-vis name of the BO demat account, the CDSL system shall generate flag / alert. In instances, where such flags / alerts have been generated, the following additional documents explaining the difference in name, shall be sought, namely:

1.7.2.1.1 Copy of Passport
1.7.2.1.2 Copy of legally recognized marriage certificate
1.7.2.1.3 Copy of gazette notification regarding change in name
1.7.2.1.4 Copy of Aadhar Card

1.7.2.3 In the case of complete mismatch of name on the share certificate(s) vis-à-vis name of the BO of demat account, the applicant may approach the Issuer company / RTA for establishing his title / ownership.

1.8. <u>Issuance of Securities in Dematerialized form in case of Investor Service Requests</u>

1.8.1 The RTA shall follow the procedure as mentioned in SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 for processing the following service request: [8]

1.8.1.1 Issue of duplicate securities certificate;
1.8.1.2 Claim from Unclaimed Suspense Account;
1.8.1.3 Renewal / Exchange of securities certificate;
1.8.1.4 Endorsement;
1.8.1.5 Sub-division / Splitting of securities certificate;
1.8.1.6 Consolidation of securities certificates/folios;
1.8.1.7 Transmission;
1.8.1.8 Transposition;

1.8.2 The RTA shall obtain the original securities certificate(s) for processing of service request as mentioned in case of point nos. iii to viii above.

1.8.3 The RTA shall verify and process the service requests and thereafter issue a ‘Letter of confirmation’ in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any.

1.8.3.1 The ‘Letter of Confirmation’ shall be valid for a period of 120 days from the date

[7] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2019/133 dated November 18, 2019
[8] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2022/17 dated January 28, 2022

of its issuance, within which the securities holder/claimant shall make a request to the DP for dematerializing the said securities.

1.8.3.2 The RTA shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company.

1.8.3.3 In case the securities holder/claimant fails to submit the demat request within the aforesaid period, the RTA shall credit the securities to the Suspense Escrow Demat Account of the Company.

1.8.4 The common norms as stipulated shall be applicable for all service requests listed above.

1.9. Mandatory entry of Distinctive Numbers (DN) for demat/remat

1.9.1. RTAs to refer SEBI circular dated CIR/MRD/DP/10/2015 dated June 05, 2015 on DN Database. In the Circular, RTAs have been instructed to utilize the DN database interface provided by depositories for capturing and updating DN information on a continuous basis while processing dematerialization/ rematerialization requests, confirming transactions, executing corporate actions, and other related activities. RTAs are also expected to take all necessary steps to update the database and reconcile any mismatches with Stock Exchanges. [9]

1.9.2. After July 01, 2016, for equity shares listed in BSE and/or NSE and/or MSEI, demat/remat confirmation requests would need to be entered compulsorily with DN ranges. Further the said DN ranges need to be necessarily present in the DN database.

[9] Reference: CDSL communiqué no. CDSL/NP/RTA/POLCY/1195 dated June 15, 2016

Chapter 2 : Mutual Fund Units

2.1. Introduction

2.1.1 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.

2.1.2 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).

2.2. Allotment and repurchase of mutual fund units

2.2.1. The Issuer / Asset Management Companies (AMC) shall submit a Corporate Action (CA) Form to CDSL for allotment and repurchase of the MF units. The RTA will be responsible for setting up CAs to credit / debit the MF units in demat form to/from the demat accounts of BOs and AMCs, respectively. [10]

2.2.2. The AMC is required to inform CDSL in advance about the authority granted by them to the concerned RTA to execute and submit such corporate action forms on their behalf.

2.2.3. The RTAs may submit the CA Form for Allotment (subscription) or Repurchase (redemption) of MF units on the RTA's letterhead, duly signed by the Compliance Officer or an authorized signatory. A single CA Form may be submitted for multiple AMCs, with annexures detailing the MF units to be allotted or repurchased.

2.3. Destatementization Procedure

2.3.1 BOs shall approach their DP for conversion of MF units represented by SoA into electronic form. After receiving the physical documents from DP, Issuer/RTA shall compare the physical documents with the electronic data. If the details match / tally between the physical records submitted by the BO with the electronic records kept by the Issuer/RTA, the BO account will be credited with MF units. In some cases, the quantity of units represented by the statement of account may not match/tally with the electronic records of Issuer/RTA. In such cases, the Issuer/RTA shall credit the BO account with such number of units as are held in the records of Issuer/RTA. For other types of mismatches, Issuer/RTA may reject the DRN. The MF-DRF (Mutual Fund Units Destatementization Request Form) and SoA shall be sent back to the DP under a Rejection Memo, specifying the reason for rejection.[11]

2.3.2 The requirement for Depository Participants (DP) to inform the Asset Management Companies (AMC) / Registrar and Transfer Agents (RTA) will be considered fulfilled once the DP's request has reached the AMC / RTA via electronic means. Thus, there is no need for separate communication by the DPs to the AMCs / RTAs detailing the request. Further, RTA will be able to identify the electronic Destat request from transaction source with the value 9 in the RT57

[10] Reference: CDSL communiqué no. CDSL/OPS/RTA/508 dated December 08, 2009

[11] Reference: CDSL communiqué no. CDSL/OPS/RTA/577 dated July 26, 2010

report.[12]

2.3.3 Transposition-cum-Dematerialization and Transmission-cum-Conversion are not permitted.

2.4. Restatementization of mutual fund units

2.4.1 The AMC/RTA can access the Mutual Fund Units Restatementization Request Form (MF-RRF) once the DP has set up the request in the CDSL system. The AMC/ RTA will not receive the physical copy of the concerned MF-RRF, as it will remain with the concerned DP. The AMC/RTA shall verify the RRN electronic requests with the data in their records and confirm the same if it is in order.[13]

2.4.2 If the electronic request does not match with the records maintained by the AMC/RTA, or if there are other types of mismatches, the AMC/RTA may reject the MF-RRF, entering the appropriate remark. The AMC / RTA shall not confirm / reject partial quantity and defer confirmation / rejection of the remaining quantity to a future date. The AMC/RTA will notify the DP electronically of the rejection and send the rejection letter to the concerned DP.

2.4.3 If the electronic request matches the AMC/RTA's records, they shall initiate with the Restatementization process by confirming the MF-RRF. Upon confirmation, the corresponding accepted balance in the BO account will be reduced from the ISIN balance in the BO's account. The AMC/RTA shall then send the SoA directly to the Registered Owner, either in physical or electronic form.

2.4.4 If the MF units are under lock-in, the AMC/RTA shall ensure that the lock-in release date is clearly stated in the Statement of Account.

2.4.5 For MF-RRF where the quantity is set as 'ALL' to Restate the entire holdings in the BO's demat account, the AMC/RTA will either confirm or reject the entire balance (available at the time of confirmation) or a partial balance in the BO account.

2.4.6 For MF-RRF with a specific quantity, the AMC/RTA will confirm the setup quantity / partial quantity or may confirm quantity in excess of setup quantity (to the extent of maximum allowable quantity) subject to the balance available in the demat account.

2.5. Repurchase / Redemption of mutual fund units

2.5.1 Repurchase or redemption of mutual fund units refers to the process of selling back the mutual fund units to the AMC.

2.5.2 In case where a Repurchase/Redemption request is set up with the quantity as 'ALL' to repurchase/redeem the entire holdings in the BO's demat account, the AMC/RTA shall confirm or reject the entire balance (available at the time of confirmation).

2.5.3 In cases where the Repurchase/Redemption request is set up for a specific quantity (entire or partial), the AMC/RTA shall confirm up to the set-up quantity or the quantity in excess of the set-up quantity (to the extent of the maximum allowable quantity for that ISIN), subject to the balance available in the BO account and reject any balance up to the set-up quantity or partial balance with respect to the set-up quantity in the respective folio.

[12] Reference: CDSL communiqué no. CDSL/OPS/DP/POLCY/2025/114 dated April 25, 2025
[13] Reference: CDSL communiqué no. CDSL/OPS/RTA/631 dated January 07, 2011

2.5.4 In cases where the Repurchase/Redemption request is set up by specifying an 'Amount' instead of MF units, the RTA may confirm or reject the request by converting the amount into the corresponding quantity based on the NAV. In the case of Repurchase/Redemption confirmation, the AMC/RTA shall issue the payment to the BO in lieu of the MF units held in electronic form.

2.6. Transferability of Mutual Fund units

2.6.1 To facilitate the transferability of mutual fund units held in one demat account to another, SEBI, vide its Circular no. CIR/IMD/DF/10/2010 dated August 18, 2010, has decided that all AMCs shall issue an addendum clarifying that units of all mutual fund schemes held in demat form shall be freely transferable from the date of the said addendum. However, restrictions on the transfer of units of ELSS schemes during the lock-in period will continue to apply as per the ELSS Guidelines. [14]

2.7. Cut off timeline for mutual fund transactions

2.7.1 The cut-off timings for the applicability of NAV for both subscription and redemption for all schemes, other than those categorized as Debt schemes and Conservative Hybrid funds, have been restored to the original cut-off time of 3:00 p.m. w.e.f. October 19, 2020.[15]

2.7.2 If a transaction for Switch-In, Switch-Out, or Redemption through a DP is set up by 3:00 p.m., the same-day NAV will be applicable. If the transaction is set up after the cut-off time, i.e., after 3:00 p.m., the NAV of the next trading day will be applicable.

2.8. Two-Factor Authentication for transactions in units of Mutual Funds

2.8.1 In accordance with SEBI circular SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/132 dated September 30, 2022, for subscription and redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used for authentication w.e.f. April 01, 2023. One of the factors for Two-Factor Authentication for non-demat transactions shall be a One- Time Password (OTP) sent to the unit holder's registered email/phone number with the AMC/RTA. For demat transactions, the Two-Factor Authentication process as defined by the Depositories shall be followed. [16]

2.8.2 It is further clarified that for mandates/systematic transactions, the requirement of Two- Factor Authentication shall be applicable only at the time of registration of such mandate/systematic transactions.

2.9. Facilitating transactions in Mutual Fund schemes through the Stock Exchange infrastructure

2.9.1 SEBI vide its circular SEBI /IMD / CIR No.11/183204/ 2009 dated November 13, 2009 has permitted the units of mutual fund schemes to be transacted through registered stock brokers of recognized stock exchanges and further it has decided by its circular CIR/IMD/DF/17/2010 dated November 9, 2010 that units of mutual funds schemes may be permitted to be transacted

[14] Reference: CDSL communiqué no. CDSL/OPS/RTA/588 dated August 18, 2010
[15] Reference: CDSL communiqué no. CDSL/OPS/RTA/SISO/2020/124 dated October 19, 2020
[16] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2022/174 dated October 3, 2022

through clearing members of the registered Stock Exchanges and to permit DPs of registered Depositories to process only redemption request of units held in demat form. [17]

2.9.2 It is clarified that Clearing members and DPs will also be eligible to be considered 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 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund, shall be applicable for such Clearing members and DPs as well.

2.9.3 Stock exchanges and Depositories shall provide an investor grievance handling mechanism for disputes between their respective regulated entities and their clients and shall also monitor the compliance of code of conduct specified in the SEBI Circulars MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI/IMD/08/174648/2009 dated August 27, 2009 regarding empanelment and code of conduct for intermediaries of Mutual Funds.

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

2.10.1 SEBI has issued circular no. SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 4, 2021, whereby Pooling of funds and/or units by stock brokers or clearing members in any form or manner for mutual fund transactions shall be discontinued w.e.f. April 01, 2022. Pay-in/pay-out of funds shall not be handled by stock brokers or clearing members. For both demat and non-demat transactions, units shall be credited and debited directly to/from the investor's demat account/folio account, without routing through the stock brokers or clearing members' pool accounts. [18]

2.10.2 However, for the redemption of units held in dematerialized mode, the practice of issuing a Delivery Instruction Slip (DIS), either physical or electronic, to the Depository Participant for debiting the units for delivery to the clearing corporation may continue.

2.10.3 It is further clarified that stock brokers and clearing members facilitating mutual fund transactions shall:

2.10.3.1 Not accept mandates for SIPs or lumpsum transactions in their own name.
2.10.3.2 Accept cheque payments from investors only in favor of the respective SEBI-recognized Clearing Corporations or mutual fund schemes.
2.10.3.3 Not accept or handle funds or units of investors in their proprietary or pool accounts in any form or manner.
2.10.3.4 Not accept payments via one-time mandates or issuance of mandates / instruments in their name for mutual fund transactions. However, one-time mandates in favor of SEBI-recognized Clearing Corporations may be accepted.

2.10.4 The onus for compliance with PMLA provisions and ensuring no transactions with third- party bank accounts rests with the AMCs. AMCs may avail the services of SEBI- recognized Clearing Corporations to validate the investors' source bank account information. In such cases, the Clearing Corporation shall provide the necessary source account details to the AMCs.

2.10.5 To facilitate investor servicing and parity in information dissemination, Stock Exchanges,

[17] Reference: CDSL communiqué no. CDSL/OPS/RTA/622 dated December 07, 2010
[18] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2021/132 dated October 06, 2021

Depositories, AMCs, RTAs, and other entities involved in mutual fund transactions, shall ensure the following:

2.10.5.1 Relevant information shall be made available to all the stakeholders involved in the transactions, including the investor, banks, payment aggregators, stock brokers, clearing members, clearing corporations, RTAs and AMCs in line with the Operating Guidelines issued by the Stock Exchanges in this regard.

2.10.5.2 The information sharing shall be system generated and adequately secured. Cost towards system development / improvement in this regard, if any, shall not be passed on to the investor.

2.10.6 Stock Exchanges and AMFI, in consultation with SEBI, shall jointly issue Operating Guidelines for stock brokers, clearing members and AMCs to facilitate mutual fund transactions on stock exchange platforms. The Operating Guidelines shall include, inter- alia, the roles and responsibilities of various stakeholders, timelines for activities specified in this circular, sharing of system generated information among various stakeholders at relevant stage of the transaction in a secured environment, sharing of relevant information with concerned entities to perform functional, tax and regulatory obligations, etc. All concerned intermediaries shall comply with the Operating Guidelines.

2.11. RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests

2.11.1 The RTAs shall implement standardized practices, system interoperability amongst themselves to jointly develop a common industry wide platform that will deliver an integrated, harmonized, elevated experience to the investors across the industry. AMCs and Depositories shall facilitate the RTAs for development of the proposed platform. [19]

2.11.2 The aforesaid platform shall, inter alia in phases, enable a user-friendly interface for investors for execution of mutual fund transactions viz. purchase, redemption, switch etc., initiation and tracking of service requests viz. change of email id / contact number / bank account details etc., initiation and tracking of queries and complaints, access investment related reports viz. mutual fund holdings (both in demat and standard Statement of Account), transactions reports (including historic transactions), capital gains/loss report, details of unclaimed dividend/redemption etc. Through this platform, investors will be able to access these services for all Mutual Funds in an integrated manner. In this regard, AMCs, RTAs and Depositories shall take necessary measures to provide data via APIs on a real time basis to the proposed platform. Additionally, RTAs and Depositories shall also share their respective data feeds between themselves for generation of investment related reports.

2.11.3 The platform may also over time, provide services to the distributors, registered investment advisors, AMCs, Stock Exchange platforms and digital platforms for transacting in mutual funds to further augment ease of investing and servicing of investors through the above stakeholders in consultation with SEBI.

2.11.4 AMCs, RTAs and Depositories shall review and agree to harmonize the processes across the industry to provide a single-window, integrated, simplified investment and service experience for the investors.

[19] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2021/92 dated July 28, 2021

2.11.5 The AMCs, RTAs, and Depositories shall adopt the data definitions and standards as provided / recommended by SEBI for data exchange amongst various participants.

2.11.6 The Platform should be scalable with robust cyber security protocols and supported through an API-based architecture. In this regard, the platform shall adopt the Cyber Security and Cyber Resilience framework specified by SEBI from time to time to "MIIs" (Market Infrastructure Institutions such as Stock Exchanges, Depositories and Clearing Corporations) and "Qualified RTAs" (QRTAs). Further, on request basis, APIs could be exposed to other industry stakeholders such as distributors, registered investment advisors, Stock Exchange platforms and digital platforms etc. with due approval of the concerned Mutual Fund on mutually agreed terms.

2.11.7 The RTAs are jointly and severally responsible for compliance with all the applicable regulations including system audit and cyber security audit. Further, RTAs shall ensure that the platform complies with the guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) specified by SEBI from time to time to "MIIs".

2.12. Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015

2.12.1 To strengthen the regulatory framework regarding the prohibition of insider trading in mutual fund units, the SEBI notification dated November 24, 2022, included mutual fund units under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). The amendments notified through the notification dated November 24, 2022 shall be applicable from November 01, 2024. [20]

2.12.2 In terms of Regulation 5(E)(1) of PIT Regulations, AMCs shall disclose the details of the holdings of Designated Persons of AMCs, trustees and their immediate relatives on aggregate basis on quarterly basis within 10 calendar days from the end of the quarter in the prescribed format.

2.12.3 Under Regulation 5(E)(2) of the PIT Regulations, any transaction in the units of the AMC's own mutual funds, exceeding a threshold value of INR 15 Lakhs in one transaction or a series of transactions within a calendar quarter, per PAN, across all schemes (excluding exempted schemes), executed by Designated Persons of the AMC, trustees, and their immediate relatives, shall be reported to the Compliance Officer of the AMC within two business days from the date of the transaction.

2.12.4 Additionally, transactions reported under Regulation 5(E)(2) and any observed violations of the PIT Regulations shall be disclosed in the prescribed format as per Regulation 5(E)(3), 5(E)(4), and Clause 12 of Schedule B1 and Clause 11A of Schedule C of the PIT Regulations, respectively.

2.13. Nomination for Mutual Fund Unit Holders

2.13.1 AMCs and RTAs shall encourage the unit holder(s) to fulfil the requirement for nomination/ opting out of nomination by sending a communication on fortnightly basis by way of emails and SMS to all such unit holder(s) who are not in compliance with the requirement of nomination.

[20] Reference: CDSL communiqué no. CDSL/OPS/RTA/ POLCY/2024/191 dated October 23, 2024

The communication shall provide guidance by which the unit holder(s) can provide nomination or opt out of nomination. [21]

[21] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/63 dated March 31, 2023 and CDSL/OPS/RTA/POLCY/2023 /208 dated September 28, 2023

Chapter 3 : Alternative Investment Funds (AIFs)

3.1. Introduction

3.1.1 SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations), came into force on May 21, 2012. In terms of Regulation 10(aa) of AIF Regulations, AIFs shall issue units in dematerialised form subject to the conditions specified by SEBI from time to time. RTAs provide specialized services to AIF Investors for transaction processing related to AIF units, and document management.

3.2. Issuance of units of Alternative Investment Fund (AIF) in dematerialized form

3.2.1 Issuer / RTAs are advised to refer to SEBI Circular no. SEBI/HO/AFD/PoD1/CIR/2023/96 dated June 21, 2023 regarding issuance of units of Alternative Investment Fund (AIF) in dematerialized form and SEBI Master Circular no. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 07, 2024 issued to Alternative Investment Fund (AIF) in dematerialized form.[22]

3.2.2 To facilitate the conversion of existing AIF units represented by the Statement of Account (SoA) into dematerialised form through the Corporate Action route, the following Standard Operating Procedure (SOP) shall apply:

3.2.3 Submission of conversion request by the investor:

3.2.3.1 An investor wishing to convert existing AIF units represented by the SoA into dematerialised form shall submit the following documents to the AIF/IM/RTA:

3.2.3.2 A Request for Conversion [containing details such as DP ID, Client ID, name of sole/joint holders, ISIN, quantity, lock-in details (if applicable), in the format of Conversion Request Form (CRF) prescribed by IM (Investment Manager).

3.2.3.3 A copy of the Client Master Report (CMR) issued by the DP, duly certified by the DP. Alternatively, the Fund/RTA may validate the demat account number using electronic services provided by the depository, i.e. the data services or beneficiary demographic (bendem) report provided by the depository.

3.2.3.4 A copy of the latest Statement of Account (SoA) containing information about the holding units that are to be converted into demat form.

3.2.4 Upon receipt of conversion request from the investor:

3.2.4.1 The AIF/IM/RTA shall ensure that the units the investor intends to convert are part of the list of units eligible for dematerialisation in the Depositories and that the correct ISIN is mentioned on the CRF.

3.2.4.2 The AIF/IM/RTA shall verify the details such as DP ID, Client ID, names of the investor(s), and holding pattern (as mentioned on the CRF) against the Client Master Report (CMR) of the beneficial owner account submitted by the investor, or from the data services/bendem report obtained from the depository. The

[22] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/239 dated November 09, 2023

conversion request will only be accepted by the AIF/IM/RTA if these details match.

3.2.4.3 If the CRF is in order, the AIF/IM/RTA will issue an acknowledgement, duly signed and stamped, to the investor(s).

3.2.5 Before crediting the units through the depository:

3.2.5.1 The AIF/IM/RTA shall ensure that the details in the CRF, such as the name(s) of the investor(s), holding pattern of the account holder(s), and signature(s) of the investor(s), match with the details available in its records. In the event of any mismatch, the AIF/IM/RTA shall reject the conversion request and inform the investor, providing the reason(s) for such rejection.

3.2.5.2 The AIF/IM/RTA shall validate the unit holder name(s) and PAN(s) (if available) from its records with the data obtained through data services or by obtaining the bendem report from the depository. In case of any mismatch, the IM/RTA shall reject the request for unit conversion and inform the investor, providing the appropriate reason for the rejection.

3.2.6 After successful validation and verification of data/request:

3.2.6.1 The AIF/IM/RTA shall record the conversion of units, represented by the SoA, as requested by the investor(s), upon successful validation and verification.

3.2.6.2 The AIF/IM/RTA shall credit the converted units by the corporate action process through the depository to the beneficial owner account of the unit holder(s).

3.2.6.3 The credit of the converted units will be reflected in the Transaction Statement provided by the DP to the client.

3.2.6.4 In case the corporate action file uploaded by the AIF/IM/RTA to the depository system is rejected, the depository shall provide the reason(s) for the rejection. The AIF/IM/RTA shall take necessary steps to rectify the same.

3.2.7 Additionally, the existing option for converting units from SoA to demat through the DP will remain available, alongside the option for conversion through corporate action.

3.3. Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories[23]

Issuers / RTAs are advised to refer to the SEBI Circular no. HO/19/34/11(8)2025-AFD POD1/I/4335/2026 dated February 06, 2026, regarding Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

[23] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2026/36 dated February 09, 2026

Chapter 4 : Commercial Paper

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 form. The RBI issued the revised Commercial Paper Directions, 2017 on August 10, 2017. In accordance with these directions, issuers, investors, and Issuing and Paying Agents (IPAs) are required to follow the standard procedures and documentation prescribed by Fixed Income Money Market and Derivatives Association of India (FIMMDA) in its Operational Guidelines on Commercial Papers, released on October 5, 2017.

4.1 Redemption of Commercial Paper

4.1.1 Issuers/ RTAs to note that Reserve Bank of India (RBI) issued the revised Commercial Paper Directions, 2017 on August 10, 2017. Further, the Fixed Income Money Market and Derivatives Association of India (FIMMDA) released the Operational Guidelines on Commercial Paper (CP) on October 5, 2017. These guidelines outline the following changes: [24]

4.1.1.1 One working day prior to the maturity date, Issuing and Paying Agents (IPAs) will send a request to the depositories to provide the list of investors (i.e., the BENPOS report) as of the end of that day.

4.1.1.2 The redemption of CP will be done directly from the beneficial owner accounts of investors through corporate action, rather than requiring the transfer of CPs held in their beneficial owner accounts to the IPA's Redemption account.

4.1.1.3 The issuer will authorize the IPA to make the redemption payment based on the BENPOS report received from depositories through the registrar and transfer agent, and to extinguish the CPs.

4.1.1.4 No transfers or transactions will be permissible on the maturity date of the CP.

4.1.2 To facilitate compliance with these guidelines, CDSL has implemented the following changes.

4.1.2.1 The IPA will be required to submit to CDSL:

4.1.2.1.1 A copy of authorization given by the Issuer to IPA to carrying out corporate action for extinguishment of CP on redemption.

4.1.2.1.2 A request to CDSL for extinguishment of CP from beneficial owners' accounts.

4.1.2.2 ISIN in respect of commercial paper will be made inactive on EOD of 1 working day prior to the redemption date.

4.1.2.3 BenPos will be auto-generated on EOD of the day that ISIN is made inactive. i.e.1 working date prior to redemption date, irrespective of whether Auto-Corporate action has been setup or not by RTA.

4.1.2.4 RTA will have to set up auto corporate action for the extinguishment of the ISIN.

4.1.3 In case RTA sets up Auto-Corporate action after generating BenPos, the status of CA setup will be "Holding report generated".

[24] Reference: CDSL communiqué no. CDSL/OPS/RTA/SYSTM/2018/35 dated March 31, 2018

4.1.4 In case RTA sets up Auto-Corporate action on redemption date with effective date as redemption date, CDSL system will allow RTA to process extinguishment on the redemption date.

4.1.5 No transfers will be permitted in commercial paper on or after its maturity date.

4.1.6 To comply with the aforesaid revised operational guidelines, IPA will need to submit to CDSL the following. [25]

4.1.6.1 A copy of authorization given by the Issuer to IPA for carrying out corporate action for extinguishment of CP on redemption in line with the circular issued by FIMMDA dated October 05, 2017.

4.1.6.2 A request to CDSL for extinguishment of CP from beneficial owners' accounts in the prescribed format.

4.2 Admission of debt instruments in both the depositories

4.2.1 In terms of RBI directive, it is now mandatory for banks, financial institutions, primary dealers and satellite dealers to hold Commercial Papers (CPs), Certificates of Deposit (CDs), Bonds and Debentures in demat form. While most of the issuers of the debt instruments prefer to admit their securities with both CDSL & NSDL, there may still be quite a few issuers who being not aware of the benefits of admitting their debt securities with both the depositories, might have been admitting debt securities in one of the depositories alone. Like equity, the admission of debt instruments with both the depositories improves marketability of the securities and better price discovery also offers an opportunity to accountholders across the depositories to be able to make investment in such instruments. [26]

4.2.2 SEBI, through its circular D&CC/FITTC/CIR–13/2002 dated 1st of November 2002, has made it mandatory for the issuers to admit their debt instruments on both the depositories.

4.2.3 At the time of admission of debt instruments, RTAs should submit the MCF along with the information pertaining to security/ies to be admitted. If further admission of additional security/ies issued by the company is sought within a year after admission of earlier security/ies and there are no material changes in the information submitted in the earlier MCF, then the MCF need not be submitted again. Instead, the submission of only the form giving details of the security to be admitted would suffice.

4.2.4 RTAs to inform the above to the issuers serviced by them about the requirement of admission of all their outstanding as well as new debt instruments with both the depositories.

4.3 Introduction of liquidity window facility for investors in debt securities[27]

4.3.1 Issuers are requested to refer to CDSL communique no. CDSL/OPS/RTA/POLCY/2024/184 dated October 17, 2024, enclosing SEBI circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/141 dated October 16, 2024, regarding Introduction of Liquidity Window facility for investors in debt securities through Stock Exchange mechanism.

[25] Reference: CDSL communiqué no. CDSL/OPS/RTA/SYSTM/2018/41 dated April 06, 2018
[26] Reference: CDSL communiqué no. CDSL/BDO/RTA/48 dated November 8, 2002
[27] Reference: CDSL communiqué no. CDSL/OPS/RTA/GENRL/2025/277 dated October 28, 2025 and CDSL/OPS/RTA/GENRL/2025/284 dated November 14, 2025

4.3.2 In view of the above SEBI circular, Issuers are required to update the below mentioned fields through their Issuer centre login and the same will be displayed on CDSL website.

4.3.3 The following information shall be displayed per ISIN:

4.3.3.1 Valuation, if available (as specified in para 6.8 of SEBI circular)
4.3.3.2 Liquidity Window schedule - dates and period of exercise (monthly/ quarterly basis).
4.3.3.3 Percentage of the Issue size for which such option is provided in the respective ISIN along with the sub-limit of the put option that can be exercised in each liquidity window (in terms of number of debt securities)
4.3.3.4 Corresponding percentage of the issue size for which such option has been exercised. Further the amounts paid by the Issuer against such put option (in terms of number of debt securities and amount)
4.3.3.5 Extent of debt securities sold by the issuer and/or extent of debt securities extinguished by the issuer, as applicable (in terms of number of debt securities)
4.3.3.6 Percentage of the issue size which is yet to be utilized by the eligible investors.
4.3.3.7 Extent of replenishment on account of sale by the Issuer (in terms of number of debt securities)

4.3.4 Issuer shall intimate changes, if any, of the above information to CDSL within 24 hours of such change through the Issuer portal.

4.3.5 Issuers are advised to note that the necessary operating guidelines for updating above mentioned details are as mentioned in Annexure -A of the circular.

Chapter 5 : Corporate Actions

5.1 Allotment of securities on Preferential Basis

As per Regulation 170 (4) of SEBI ICDR Regulations, preferential allotment shall mandatorily be made in dematerialized form in respect of listed companies

5.2 Amendments to Companies (Prospectus & Allotment of Securities) Rules

5.2.1 As per Ministry of Corporate Affairs Notification dated 10th September 2018, Every Unlisted Public Company shall:

5.2.1.1 Issue securities only in dematerialized form
5.2.1.2 Facilitate demat of all its existing securities

5.2.2 As per Ministry of Corporate Affairs Notification dated 27th October 2023, Every private company, other than a small company, shall:

5.2.2.1 Issue securities only in dematerialized form
5.2.2.2 Facilitate demat of all its existing securities

5.3 Transfer of Securities to Temporary ISIN[28]

5.3.1 SEBI circular dated August 11, 2012 mandates that in order to curtail the transfer of additional issue of shares/securities including by way of further public offerings, rights issue, preferential allotment etc. of listed companies, prior to receipt of final listing/trading approval , securities shall be allotted in a temporary ISIN which shall be kept frozen till the time the final listing/trading approval is granted by the exchange(s).

5.3.2 On issue of the final listing/trading approval by the exchanges the additional shares/securities are debited from the temporary ISIN and credited to the pre-existing ISIN for the said security.

5.4 SEBI vide its circular dated May 22, 2024, rules made applicable for Debt Securities[29]

5.4.1 Depositories shall update the status of the ISIN which is in “frozen” status to “Active” in respect of debt securities issued on private placement basis only after the Stock Exchange(s) have accorded approval for listing such securities.

5.4.2 Further, in order to facilitate re-issuances of new debt securities in an existing ISIN, Depositories are advised to allot new debt securities under a new temporary ISIN which shall be kept frozen. Upon receipt of listing approval from Stock Exchange(s) for such new debt securities, the debt securities credited under the new temporary ISIN shall be debited and shall be credited in the pre-existing ISIN of the existing debt securities.

5.4.3 To transfer the shares from temporary ISIN to permanent ISIN on receipt of trading permission from exchanges, a separate corporate action is set up by the RTA and the same is processed at CDSL.

[28] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2012/765 dated August 03, 2012
[29] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2024/77 dated May 23, 2024

5.4.4 Exchange trading notice and RTA letter is required to process the corporate action for transfer on listing/trading approval.

5.5 Bonus Issue Processing[30]

5.5.1 As per SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2023 w.e.f. 23.5.2023, The allotment of shares in a bonus issue shall be made only in the dematerialised form

5.5.2 SEBI vide its circular dated September 16, 2024, amended the procedure for bonus issue timelines. All the bonus issues announced on or after October 01, 2024, shall follow the new timeline of T + 2 trading of bonus shares where T is the record date.

5.5.3 As per the operational procedure provided in the SEBI circular, upon receipt of intimation of the record date (T Day) and requisite documents from the Issuer, the Stock Exchange(s) shall issue notification accepting the record date and notifying the number of shares considered in the bonus issue. The notification shall include the deemed date of allotment (T+1 day).

5.5.4 The bonus corporate action should be processed at SOD of T+2 in permanent ISIN in CDSL system. SEBI direction pursuant to SEBI Circular No. CIR/MRD/DP/21/2012 dated August 02, 2012, and CIR/MRD/DP/ 24 /2012 dated September 11, 2012, requiring credit of bonus shares in temporary ISIN is exempted in case of bonus issue of equity shares, and credit of shares directly in permanent ISIN (existing ISIN) shall be permitted in case of bonus issue of equity shares.

5.6 Introduction of dematerialized Rights Entitlements (REs)[31]

5.6.1 Reference to the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 Dated January 22, 2020- Streamlining the Process of Rights Issue.

5.6.2 REs under a separate ISIN shall be credited to the demat account of eligible shareholders in dematerialized form before the date of opening of the issue against the shares held by them as on record date.

5.6.3 REs shall be traded on secondary market platform of Stock exchanges, with T+1 rolling settlement, similar to the equity shares. Trading in REs shall commence with opening of right issue and gets closed on maximum three[32] days before the closure of the issue.

5.6.4 The shareholder has to either renounce or apply for the REs credited to their demat account before closure of the issue.

5.6.5 REs that are neither renounced nor applied for by the shareholders are extinguished through corporate action.

5.7 Faster Rights Issue with a flexibility of allotment to specific investor(s)[33]

5.7.1 Reference to SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated March 11, 2025, Rights Issues shall be completed within 23 working days from the date of Board of Directors /

[30] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2024/157 dated September 16, 2024
[31] Reference: CDSL communique no. CDSL/OPS/RTA/POLCY/2020/16 dated January 23, 2020
[32] Reference: CDSL communique no. CDSL/OPS/RTA/POLCY/2022/117 dated June 7, 2022
[33] Reference: CDSL communique no. CDSL/OPS/RTA/POLCY/2025/66 dated March 12, 2025

shareholders (if applicable) of the Issuer approving the Rights Issue.

5.7.2 Accordingly, the revised timelines for completion of the various activities involved in Rights Issue process from the date of Board of Directors / shareholders of the Issuer approving the Rights Issue till the date of closure of Rights Issue are placed at the abovementioned circular.

5.7.3 As per the revised timelines, shares allotment pursuant to rights issue shall be available for trading for the investors on T + 3 day (T being the issue closure date).

5.7.4 Further, as per the said circular, validation of bids received for subscribing to the shares in the Rights Issue shall also be carried out by the Stock Exchanges along with the Registrar to the Issue.

5.7.5 In view of the same, BO validation charges shall be applicable in respect of the validations done by the Exchanges as is currently applicable in case of IPO and invoice for the same shall be raised on the respective Issuer.

5.7.6 Issuers/ RTAs are advised to take note of the above and ensure that necessary payment in respect of bid validation done by the exchanges is remitted at the time of rights issue credit corporate action.

5.8 **System Enhancements in respect of Faster Rights Issue[34]**

5.8.1 This is with reference to SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31, dated March 11, 2025, regarding Faster Rights Issue, vide which timelines for activities involved in Rights Issue from date of approval of Board of Directors of the Issuer till the date of closure of Rights Issue were specified. To smoothen the rights issue processing at CDSL, system changes have been implemented in the corporate action module as given below:

5.8.1.1 It shall be mandatory to input the below mentioned fields by the RTA at the time of set up of CA under Master type 4 and CA type 85-Rights Entitlement:
5.8.1.1.1 Issue Opening Date
5.8.1.1.2 Issue Closing Date
5.8.1.1.3 RE trading end date (as mentioned in the letter of offer)

5.8.1.2 The CA set up would be with status “pending for verification”

5.8.1.3 The CA sequence number would have to be intimated to CDSL through mail for CDSL official to verify the set up.

5.8.1.4 Post verification at CDSL end, the system will allow RTA to upload files for credit of RE’s to the BO accounts.

5.8.1.5 RTA / Issuer needs to forward the stock exchange notice for commencement of trading of Rights Entitlement to CDSL at least two days prior to opening date of rights issue.

5.8.1.6 The RE ISIN will be auto activated on SOD of issue opening date by the system, hence RTA are advised to exercise due caution at the time of input of the dates.

5.8.1.7 It is also very important to note that the RTA / Issuer needs to inform any changes

[34] Reference: CDSL communique no.CDSL/OPS/RTA/CAIPO/2025/266 dated October 10, 2025

/ extension of issue opening date prior to actual issue opening date as the entire process is system driven.

5.8.1.8 Similarly, in case of extension of issue closing date & trading end date, RTA should promptly modify the Issue closing date & Trading end date accordingly, through the modify option, in the same CA sequence & communicate to CDSL official along with stock exchange notice.

5.8.1.9 The system shall change the status of the RE ISIN to “Inactive” on EOD of the Issue Closing Date hence RTAs are advised to exercise due caution at the time of input of the dates.

5.8.1.10 System shall permit upload of files under the same CA sequence number till one day prior to the issue closing date.

5.8.2 As the entire process of activation and deactivation of RE ISIN will be automated, RTA's are advised to exercise utmost caution at the time of entry of dates in the system and exercise due diligence to ensure that in case of any changes in the Issue Opening date, Issue Closing date or RE Trading End date, the same is promptly updated in the system and immediately communicated by the Issuer/RTA to CDSL, well in advance.

5.8.3 These changes are effective only for CA type 85 and there are no other changes in the existing process.

5.8.4 The provisions of this circular shall come into force effective October 11, 2025, and shall be applicable to the CA set up done under CA type 85 i.e Rights Entitlement from the said date.

5.9 <u>Stamp duty on corporate actions for off market transfers</u>

5.9.1 In respect of corporate actions involving the issuance or transfer of securities, stamp duty shall be collected by the depositories and remitted to the applicable state, as per the Ministry of Finance Notification dated December 10, 2019, related to the Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations, and Depositories) Rules 2019. [35]

5.9.2 For the corporate action types listed below, which involve the transfer of securities between BOs, either within the same depository or between different depositories, the principle of off-market transfer is applicable and thus, stamp duty is collected from the issuer/transferor at the applicable rate. In such cases, the transferor is responsible for remitting the stamp duty to the state of the transferee BO.

5.9.2.1 Transfer of lock-in / inactive ISIN other than account shifting
5.9.2.2 Offer for sale/ Disinvestment by Government of India
5.9.2.3 Transfer of Shares from Trust To Employee
5.9.2.4 Transfer u/s 236

5.9.3 Thus, the RTA will be required to mandatorily upload an MIS file (in the enclosed format) after uploading the corporate action file. The issuer must remit the applicable stamp duty before the execution of the corporate action and the upload of the Off-Market MIS file by the issuer/RTA. The corporate action allotment file will remain in a pending status for stamp duty until the system

[35] Reference: CDSL communiqué no. CDSL/OPS/RTA/CAIPO/2021/131 dated October 06, 2021

reflects that the sufficient stamp duty amount has been remitted by the issuer.

5.10 **<u>Collection of stamp-duty through stock exchanges, clearing corporations and depositories rules 2019</u>**

5.10.1 Issuers/R&T Agents are advised to note that pursuant to the amendments to the Indian Stamp Act, 1899 notified in The Finance Act, 2019 by Ministry of Law and Justice dated February 21, 2019 , in exercise of the powers conferred by section 73A of the Indian Stamp Act, 1899 (2 of 1899), the Central Government through notification dated December 10, 2019 has notified the Indian Stamp (Collection of stamp-duty through Stock Exchanges , Clearing Corporations and Depositories) Rules 2019 to regulate the liability of the instruments of transaction in stock exchanges and depositories to duty w.e.f. January 9, 2020. The amendments seek to introduce a single point for collection of stamp duty by authorized entities for issuance and transfer of securities and subsequent disbursement of the duty collected to the respective states. [36]

5.10.2 As per Rule 6 of the said notification, the stamp duty to be levied under clause (c) of subsection (1) of section 9 A of the Indian Stamp Act, 1899 (2 of 1899) on creation of new security and change in records of depository upon issue of securities shall be collected from the issuer before executing any transaction in the depository system. [37]

5.10.3 The rate at which the stamp duty will be calculated will be governed by the provisions of Schedule I of the Principal Act. Currently three categories have been defined for the securities i.e. 'Debenture', 'Govt. Securities' and 'Securities other than Debenture'. Stamp duty is not applicable on Government securities.

5.10.4 CDSL shall not collect stamp-duty on creation or destruction of securities on account of corporate actions such as stock split, stock consolidation or such similar actions if it does not involve a change in beneficial ownership. Provided that if there is a fresh issue to an investor as part of a corporate action, such issue shall be subject to stamp duty.

5.10.5 The stamp duty is required to be paid to the depository before executing any transaction in the depository system.

5.10.6 Issuers would remit the required amount to CDSL in advance before execution of the corporate action. Issuers would need to ensure that sufficient balance towards stamp duty is available before execution of corporate action.

5.10.7 CDSL will provide a "probable stamp duty calculator". A facility to view the available stamp duty balance with CDSL will also be provided in due course of time.

5.10.8 The price per security to be used for calculation of the total market value of securities as contained in the allotment list (offer price) would need to be captured at the time of CA processing.

5.10.9 It may be noted that for corporate actions where stamp duty is payable, the stamp duty balance would be utilized on FIFO basis.

5.11 **<u>Standardization of timeline for listing of securities (Debt/ Non-Convertible Redeemable Preference shares/ Securitized Debt Instruments/ security Receipts / Municipal Debt</u>**

[36] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2019/143 dated December 24, 2019 and CDSL/OPS/RTA/POLCY/2020/48 dated March 30, 2020

[37] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2020/2 dated January 03, 2020

Securities) issued on a private placement basis

5.11.1 SEBI vide its circular SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024[38], has stipulated the timeline for listing of above-mentioned debt securities allotted on private placement basis.

5.11.2 As per the new timeline issued by SEBI, the debt securities allotted on private placement basis shall be listed on the stock exchange by T + 4 where T being the closure date.

5.12 **Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days**

5.12.1 SEBI vide its circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023[39] and SEBI vide its circular dated SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129 dated September 26, 2024[40], has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days against the earlier requirement of 6 working days: T being the issue closing date.

5.12.2 The indicative timelines of activities for listing the shares through public issues on T+3 day are laid down in above mentioned circulars.

5.12.3 Reduction in timelines for listing of units of privately placed Infrastructure Investment Trust (InvIT):

SEBI vide its circular SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/087 dated June 24, 2022[41], has reduced the time taken for allotment and listing of units of privately placed Infrastructure Investment Trust (InvIT), after the closure of issue to six working days as against the present requirement of thirty working days.

5.13 **Caution when releasing redemption warrants / cheques**

5.13.1 RTAs to check the BENPOS (RT39 or RT02) that is generated by the CDSL system indicating securities that are pledged. The Issuer/RTA should then contact the concerned Investor/BO and request him to either get the pledge revoked and / or securities unpledged. After the lien on the securities is removed, only then should the redemption warrants/cheques have released to the Investor/BO.

5.13.2 RTAs not to mail the Redemption Warrants/Cheques of these pledged securities to the Pledgor. The redemption warrants and/or cheques should be kept in abeyance with the RTA until the shares are unpledged or pledge revoked.

5.14 **BO Validation Charges in respect of the BO Validations done by Stock Exchanges for Right Issue.**[42]

5.14.1 SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31, dated March 11, 2025, regarding Faster Rights Issue. As per the said circular, validation of bids received for subscribing to the shares in the Rights Issue shall also be carried out by the Stock Exchanges along with the Registrar to the Issue.

[38] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2024/77 dated May 23, 2024
[39] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/165 dated August 10, 2023
[40] Reference: CDSL/OPS/RTA/POLCY/2024/168 dated September 27, 2024
[41] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2022/124 dated June 27, 2022
[42] Reference: CDSL communiqué no. CDSL/OPS/RTA/CAIPO/2025/113 dated April 24, 2025

5.14.2 In view of the same, BO validation charges shall be applicable in respect of the validations done by the Exchanges as is currently applicable in case of IPO and invoice for the same shall be raised on the respective Issuer. The charge structure is as below:

BO verification charges @2 (INR) per record subject to minimum charges as per issue size as mentioned below plus applicable taxes.

Sr No.	Issue Size (In INR)	Amount (INR)
1.	Upto 10 Crore	10,000/-
2.	Above 10 crore and upto 100 crore	25,000/-
3.	Above 100 crore and upto 1000 crore	50,000/-
4.	Above 1000 crore	100,000/-

5.14.3 Further, in case of issuers which are listed on SME platform, the charges applicable shall be Rs. 5000/- plus applicable taxes irrespective of issue size.

5.14.4 The provisions of the circular have come into force effective April 07, 2025 and shall be applicable to the Rights Issue that are approved by the Board of Directors of the Issuer from the date of coming into force of this circular.

5.14.5 In case however, if bid validation is done by the exchange in respect of any Rights issue approved prior to the said date, bid validation charges shall accordingly be levied on the Issuer.

5.15 **<u>Issue of Securities in Dematerialised Form by Unlisted Public Companies</u>**

5.15.1 The Issuers/RTAs to refer to the MCA notification dated September 10, 2018 regarding the amendments to the Companies (Prospectus and Allotment of Securities) Rules, 2014, whereby the following rule has been inserted. [43]

"9 A. Issue of Securities in Dematerialised Form by Unlisted Public Companies-
Every unlisted public company shall –

- issue the securities only in dematerialised form: and
- facilitate dematerialisation of all its existing securities

in accordance with provision of the Depositories Act, 1996 and regulations made there under.

5.15.2 Issuers/RTAs to note that Dematerialisation Request Form (DRF) contains two signatures: "Signature with DP" and "Signature with RTA".SEBI vide its letter dated October 22, 2018 has advised that the demat request submitted by the BO will be processed by the Issuer/RTA only after verifying both signatures, one registered with the Issuer/RTA at the time of allotment or transfer, and the other registered in the demat account. In case of a mismatch between any of the two signatures, the existing process for signature verification should be followed. [44]

5.15.3 Issuers/RTAs are informed that, henceforth, Depository Participants (DPs) shall send the physical certificates affixing with the following stamp, instead of just "Surrendered for Dematerialisation." [45]

Surrendered for Dematerialisation DP Name - XYZ
BO ID <u>12012000</u> <u>00001234</u>

[43] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2018/119 dated September 12, 2018
[44] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2018/144 dated November 14, 2018
[45] Reference: CDSL communiqué no. CDSL/OPS/RTA/144 dated May 14, 2004

DP ID Client ID

5.15.4 Issuers/RTAs must verify that the BO ID stamped on the certificates matches the BO ID mentioned on the DRF.

5.15.5 If the DP makes an error in writing the Client ID, the authorized signatory of the DP must authenticate the changes made to the Client ID. Issuers/RTAs shall accept certificates with such changes only if they are authenticated as stated above.

5.15.6 If Issuers/RTAs receive certificates without the required rubber stamp, or if there is an error in the Client ID, they are advised to reject the Dematerialisation Request Number (DRN) set up by the DP, providing a reason for rejection.

5.16 Standard Operating Procedures (SOP) for lock in of pre-issue shares in public issues and suspension of ISIN

5.16.1 Issuers/RTAs are informed that the SOP for lock in of pre-issue shares in public issues and suspension of ISIN has been framed in consultation with SEBI. [46]

5.16.2 The Issuer shall ensure that none of the shares are pledged when filing the RHP with the MCA. If there are any outstanding pledges on the shares at the time of filing the RHP or before the incorporation of the Lock-in, the Issuer shall ensure that the shares are unpledged before requesting the Depositories to suspend the ISIN.

5.16.3 The Issuer may request the Depositories to suspend or freeze the ISIN in the Depository system until the listing or trading effective date. The request must be received at the Depository latest by 4 PM to suspend or freeze the ISIN mentioning the date of suspension to be processed. The Freeze or Suspension effective date will be the SOD / BOD of the next working day. For requests received after 4 PM, the ISIN will be suspended or frozen starting from the SOD / BOD of Request Date + 2 working days. The ISIN will be suspended for debit as requested, and a confirmation email to the issuer will be provided on suspension or freezing of ISIN in Depository system.

5.16.4 The shareholders who intend to transfer the pre-IPO shares may request Issuer/RTA to facilitate transfer of shares under suspended or Frozen ISIN by submitting requisite documents.

5.16.5 The Issuer/RTA will send the required documents, along with applicable stamp duty and Corporate Action charges, to the respective Depository to execute the transfer of shares under the suspended ISIN through CA and will instruct its RTA to execute the CA.

5.16.6 The transfer request shall be accepted from Issuer till one day prior to issue opening date.

5.16.7 After successful processing of Corporate Action, a confirmation letter of successful CA would be issued to the Issuer / RTA.

5.16.8 Initiation of CA to carry out lock-in for pre-issue capital held in depository system, by the Issuer/RTA by submitting requisite documents to Depository latest by T-1 day (T is Issue closure date) and shall be completed before IPO allotment.

[46] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023

5.17 Streamlining the process of Public Issue of Equity Shares and convertibles

5.17.1 SEBI vide its circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 introduced the use of Unified Payments Interface (UPI) as an additional payment mechanism with Application Supported by Blocked Amount (ASBA) for Retail Individual Investors w.e.f. January 1, 2019. [47]

5.17.2 SEBI vide its circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 has informed that Phase II of the aforesaid Circular dated November 01, 2018; is effective from July 1, 2019. Whereby, for applications by retail individual investors through intermediaries, the existing process of, investor submitting bid cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be the permissible mode. [48]

5.17.3 The Issuer/R&T Agents to note and comply with SEBI directions regarding Streamlining the process of Public Issue of Equity Shares and convertibles as amended from time to time.[49]

5.17.4 The Application Supported by Blocked Amount (ASBA) applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, all intermediaries / market infrastructure institutions are advised to ensure that appropriate systemic and procedural arrangements are made. [50]

5.17.5 Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

5.17.6 The circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed.

[47] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2018/139 dated November 05, 2018
[48] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2019/82 dated July 29, 2019
[49] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2021/67 dated June 04, 2021 and CDSL/OPS/RTA/POLCY/ 2021/33 dated March 22, 2021
[50] Reference: CDSL communiqué no. CDSL/OPS/RTA/ POLCY/2022/110 dated May 31, 2022

Chapter 6 : Reconciliation of ISIN Balances

6.1 Reconciliation of the Admitted, Issued and Listed Capital

6.1.1 The RTAs to furnish to CDSL an exception report on a daily basis in respect of each of such company where the total number of shares held in dematerialised form with CDSL, NSDL together with the shares held in physical form does not tally with the total number of shares admitted with the depositories and / or issued and listed with the stock exchanges on any day. [51]

6.2 Reconciliation of Share Capital Audit Report[52]

6.2.1 The Issuer/RTA shall explicitly confirm on a daily basis that in respect of each of a company where the total number of shares held in dematerialised form with CDSL, NSDL together with the shares held in physical form tally with the total number of shares admitted with the depositories and / or issued and listed with the stock exchanges on any day.

6.2.2 Depositories to provide an updated status of share reconciliation for listed companies, as per the list of companies provided by BSE/NSE/MSEI, where discrepancies between issued and listed capital have been identified by the exchanges.

6.2.3 As part of the process, depositories compare the total holdings of a company, which includes both demat and physical equity shares, with the company's issued capital and identify the companies where the total holdings exceed the issued capital.

6.2.4 The number of equity shares held in physical form and the issued capital figures are derived from the Reconciliation of Share Capital Audit report, which companies submit to the stock exchanges at the end of each respective quarter. The electronic balances are considered based on the actual balances in investor accounts with both depositories on the specified date.

6.2.5 For companies identified with discrepancies, clarification is sought from the RTA/Issuer. In one instance, the excess holdings were attributed to an erroneous confirmation of a demat request, which was mistakenly approved instead of being rejected by RTA.

6.2.6 RTAs are required to establish an appropriate mechanism to prevent the recurrence of such errors in the future and are also advised to implement a comprehensive Standard Operating Procedure (SOP) to address this matter effectively.

[51] Reference: CDSL communiqué no. CDSL/BDO/RTA/58 dated January 23, 2003
[52] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/135 dated July 20, 2023

Chapter 7 : Distinctive Number Database

7.1 Database for Distinctive Number (DN) of Shares[53]

7.1.1 SEBI vide its circular CIR/MRD/DP/ 10 /2015 dated June 05, 2015 has advised Depositories to create and maintain a database of distinctive numbers (DN) of equity shares of listed companies with details of DN in respect of all physical shares and overall DN range for dematerialised shares.

7.1.2 The DN database shall make available, information in respect of issued capital, such as DN Range, number of equity shares issued, name of stock exchange where the shares are listed, date of in-principle listing / final trading approval / dealing permission, shares held in physical or demat form, date of allotment, shares dematerialized under temporary (frozen) ISIN or Permanent (active) ISIN etc., at one place.

7.2 Instructions to the Issuers/RTAs

7.2.1 Issuers/RTAs shall use the interface provided by the CDSL for the following:

7.2.1.1 To update DN information in respect of all physical share capital and overall DN range for dematerialised share capital for all listed companies.

7.2.1.2 Updating the fields viz. Distinctive Numbers (From and To), Number of Equity shares, Name of stock exchange, Shares held in Physical/demat Form, Date of allotment and date of issue (date of credit to BO account) etc.,, on a continuous basis for subsequent changes including changes in case of further issue, fresh issuance / new listing and other change / alteration in capital (such as buy-back of shares, forfeiture of shares, capital reduction, etc.).

7.2.1.3 Capturing / updating the DN information on a continuous basis while processing, dematerialisation / rematerialisation requests confirmation, executing corporate action, etc.

7.2.2 Issuers/RTAs shall take all necessary steps to update the DN database. If there is mismatch in the DN information with the data provided / updated by the Stock Exchanges in the DN database, the Issuer/RTA shall take steps to match the records and update the same.

7.2.3 Failure by the Issuers/RTAs to ensure reconciliation of the records shall attract appropriate actions under the extant laws.

7.3 Database for Distinctive Number (DN) of Shares - Action against non-compliant companies[54]

7.3.1 SEBI has directed vide its circular SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/87 dated August 01, 2019 to freeze all related corporate benefits on the BO a/c frozen in respect of promoters and directors of such non-compliant companies w.e.f. August 01, 2019.

[53] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLICY/779 dated September 21, 2012 and CDSL/OPS/RTA/POLCY/ 1077 dated June 08, 2015
[54] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2019/87 dated August 08, 2019

7.3.2 Issuers/RTAs are advised to refer to the list of companies that are Non-Complied with SEBI Circular on DN database and ensure compliance as per SEBI circular.

7.4 Distinctive numbers (DN) mandatory for inter depository corporate actions (CA)[55]

7.4.1 Issuers/RTAs are hereby requested to note that, for corporate actions involving the debit/credit of equity shares of listed companies between depositories, it shall henceforth be mandatory to provide the distinctive numbers in the corporate action file being uploaded for execution.

[55] Reference: CDSL communiqué no. CDSL/OPS/RTA/CAIPO/2021/130 dated October 06, 2021

Chapter 8 : Transfer of Shares to Demat Account of IEPF Authority

8.1 Notification issued by Ministry of Corporate Affairs dated September 05, 2016 for Transfer of Shares to IEPF Account[56]

8.1.1 The shares in respect of which the dividend has remained unclaimed by the beneficial owner for a period of 7 years shall be credited to an IEPF account, within 30 days of the shares becoming due for transfer to the Fund. However, if the beneficial owner has encashed any dividend warrant during the last seven years, these shares will not be required to be transferred to the Fund, even if some dividend warrants remain may not have been encashed.

8.2 Operational guidelines for transfer of shares to IEPF Account[57]

8.2.1 The shares, whether held in dematerialized form with the depository or in physical form, shall be transferred to the IEPF Authority's designated demat account through a Corporate Action.

8.2.2 If there is a specific order from a Court, Tribunal, or statutory authority restraining the transfer of shares or the payment of dividends, the company shall not transfer such shares to the Fund.

8.2.3 In the case of non-monetary CAs such as bonus issues, mergers, capital reductions, stock splits, etc., the Issuer/RTA shall provide a data file in the prescribed format for all holders whose shares have been transferred to the IEPF Authority and who are entitled to shares due to the corporate action. Based on the provided data, the total number of shares under the entitlements will be credited to the IEPF Authority's account through a file corporate action, and the respective BO-wise entitlements will be updated in the system.

8.2.4 In the case of monetary CAs, the Issuer/RTA shall set up the corporate action for the record date and update the dividend amount per share. This data will be used to update the BO-wise entitlement in the depository system.

8.2.5 The Issuer/RTA shall be required to submit the following documents in CDSL system:

8.2.5.1 Corporate Action form;
8.2.5.2 Certified copy of the authorisation by the Board to the company secretary or any other person to undertake all activities pertaining to transfer of shares to IEPF account;
8.2.5.3 Certified copy of the notice by Board or appointed committee for effecting transfer of shares to the IEPF account;
8.2.5.4 RTA letter;
8.2.5.5 Corporate Action charges.

8.2.6 The Issuer/RTA shall adhere to the format prescribed by CDSL from time to time in this regard.

[56] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/1232 dated October 24, 2016
[57] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2017/66 dated October 31, 2017 and CDSL/OPS/RTA/POLCY/2017/68 dated November 16, 2017

Chapter 9 : Framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level

9.1 Operational guidelines for the "Trading Window Closure Period" are as follows:[58]

9.1.1 This guideline is applicable to all listed companies and only for equity ISINs.

9.1.2 Listed issuers which have appointed CDSL as their Designated Depository (DD) will have access to the "No Trading Window Period" menu in their issuer login on the CDSL portal.

9.1.3 Issuers shall set up the "No Trading Window Period" in the portal. The trading restriction period will apply from the end of each quarter until 48 hours after the declaration of the financial results.

9.1.4 The issuer must select the freeze start date (T Day), which is greater than 2 business date (i.e., T-2 days) and the freeze end date shall be greater than the freeze start date.

9.1.5 A list of the DPs (Designated Persons) already uploaded by the issuer for the purpose of System Driven Disclosure (SDD) will be displayed along with the pre- populated freeze start and end dates as entered above. The issuer shall verify and confirm the data.

9.1.6 Upon submission / confirmation of the details, the system will identify the demat accounts of sole/joint holders of the DPs based on the PAN entered by the issuer. These accounts will be frozen for both debit and credit at the BO-ISIN level, on Start of Day (SOD) of freeze start date.

9.1.7 In cases where the first holder's PAN is from a non-DP, but the joint holder's PAN belongs to the DP, the specific ISIN in that demat account will still be frozen for both debit and credit.

9.1.8 During the freeze period, no debit or credit transactions will be allowed in the demat accounts of the DP for the specified ISIN.

9.1.9 Any trades done prior to "No trading window period" shall be settled by way of early pay-in instruction in favor of their CM on the trade date i.e. T Day itself.

9.1.10 If any exemptions are provided to DPs during the trading window closure, both the DP/BOs and the issuer shall update the exemption details in the system.

9.1.11 Any exemptions provided by the issuer during the "No Trading Window Period" should be entered into the issuer login at least 2 days (T-2 days) before the exemption start date, along with the proper reason for granting the exemption.

9.1.12 The demat accounts of DPs who are granted exemptions will be unfrozen at SOD of the exemption start date and will be refrozen at EOD on the exemption end date. DPs shall provide early or normal pay-in instructions on the trade date to settle the trade obligations and avoid shares being auctioned.

9.1.13 The Trading window closure exemption end date must be at least 2 days after the last exempted trade date on the exchange.

9.1.14 Issuers and RTAs are required to ensure that PAN details for promoters, promoter groups,

[58] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2024/241 dated December 24, 2024

directors and other relevant individuals are regularly updated on the DD portal for compliance with SAST and PIT regulations. These details should be in accordance with the criteria specified in the SAST and PIT regulations. Issuers shall verify the updated data through their login credentials and immediately confirm that the details are correctly updated.

9.2 **<u>The operational guidelines for updating the TWC period are as given below:</u>**[59]

9.2.1 The automated TWC functionality is being activated for all listed Companies / Issuers to restrict trading by DPs on stock exchanges / Depositories.

9.2.2 The said functionality is currently extended to immediate relatives of DPs of Top 500 companies / equity ISINs.

9.2.3 The listed issuers who have appointed CDSL as their Designated Depository (DD) will be shown the menu "No Trading Window Period" in their issuer login on CDSL portal.

9.2.4 Issuer needs to assign below privileges to the user from his admin login to view the "No Trading Window Period" tab.

9.2.4.1 No Trading
9.2.4.2 No Trading Setup
9.2.4.3 No Trading Inquiry
9.2.4.4 Exemption Inquiry

9.2.5 Issuer needs to click on menu "No Trading Window Period" → Setup.

9.2.5.1 System display page with following details
9.2.5.2 Issuer ID – Pre-populated
9.2.5.3 ISIN – pre-populated
9.2.5.4 A trading restriction period shall be made applicable from the 1st business day of every quarter till 48 hours after the declaration of financial results for the previous quarter.
9.2.5.5 Freeze Start Date –Issuer needs to select the freeze start date (T Day) from date greater than 2 business date i.e., on T-2 days.
9.2.5.6 Freeze End Date –Date should be always greater than Freeze Start Date i.e., T+ n… days). The Issuer can select a notional freeze end date initially and modify it immediately after finalization of the confirmed date of their board meeting.
9.2.5.7 List of DP/s or Immediate Relatives already uploaded by the issuer for the purpose of System Driven Disclosure (SDD) will be displayed along with pre-populated Freeze Start date and Freeze end date as entered in the date fields above.
9.2.5.8 Issuer has to verify the data, include the details of DPs or Immediate Relatives (Top 500 companies) and click on Submit button to confirm the BO – ISIN level freeze for debit and credit to be applied.
9.2.5.9 Issuer has to verify the data, can exclude details of DPs Immediate Relatives (except Top 500 companies) and click on Submit button to confirm the BO – ISIN level freeze for debit and credit to be applied.

9.2.6 Once the details are submitted by issuer to the DD, system will identify the demat accounts of DP/s or Immediate Relatives based on the PAN of sole / joint holders entered by Issuer and freeze for debit and credit at BO – ISIN level in the identified demat account/s on Start of Day (SOD) of freeze start date.

[59] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/165 dated June 17, 2025

9.2.7 The Demat accounts, where first holder PAN is of non-DP or Immediate Relatives, but the joint holder PAN is of the DP or Immediate Relatives, still the specific ISIN in identified demat account will be frozen for both i.e. debit and credit at BO-ISIN level.

9.2.8 The freeze reason code no. “25“with reason description “Trading Window Closure Period” will be used for the said BO-ISIN level freeze applied in CDSL systems.

9.2.9 During the freeze period, no debit or credit will be allowed in the demat account of the DP/s or Immediate Relatives for the specified ISIN as stated in point nos. 7 & 8 above.

9.2.10 Issuers need to inform their DPs or Immediate Relatives / joint holders accordingly.

9.2.11 Any trades done prior to “No trading window period” should be settled by way of giving early payin instruction in favor of their CM on the trade date i.e. T Day itself. DP/s need to give early / normal pay-in instruction on the trade date itself, to settle the trade obligation and avoid the shares being auctioned.

9.2.12 In case of any exemptions provided to be allowed to DP or Immediate Relatives during TWC period, the DP / BOs & Issuer need to update the exemption details in the system.

9.2.13 Any exemptions provided to DP/s or Immediate Relatives by the Issuer, during “No Trading Window Period” needs to be entered in CDSL system through the Issuer login minimum 2 days (T-2 days) prior to the exemption start date along with the proper reason (As per SEBI circular) for providing exemption.

9.2.14 Demat accounts of DP/s or Immediate Relatives who are provided with exemptions will be unfrozen on SOD of exemption start date and will be again frozen on the End of Day (EOD) of exemption end date. The settlement process as mentioned in point no. 11 needs to be followed.

9.2.15 For the second time exemption during the same TWC period, the TWC exemption end date should be 2 days after the previous exempted trade date on Stock Exchange/s.

Chapter 10: Monitoring of Foreign Investment limits in listed Indian companies

10.1 Investment by Foreign Portfolio Investors (FPI) through primary market issuances

10.1.1 As per Regulation 20(7) of the SEBI (Foreign Portfolio Investors) Regulations, 2014 ('FPI Regulations'), the purchase of equity shares of each company by a single Foreign Portfolio Investor or an investor group shall be below ten percent of total paid-up equity capital on a fully diluted basis of the company. [60]

10.1.2 To ensure compliance of the above, at the time of finalization of basis of allotment during primary market issuances, RTAs shall use PAN issued by Income Tax Department of India for checking compliance for a single FPI. Also, RTAs should obtain validation from Depositories for the FPI investor group who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines specified by SEBI for issue procedure.

10.1.3 Bids by FPIs submitted under MIM structure with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple bids.

10.2 Framework for monitoring of foreign holding in depository receipts

10.2.1 Clause 1 & 2 of Annexure of SEBI circular no. SEBI/HO/MRD/DCAP/CIR/P/ 2020/190 dated October 1, 2020 states as under: [61]

10.2.1.1 Listed Company shall appoint one of the Indian Depository as the Designated Depository for the purpose of monitoring of limits in respect of Depository Receipts.

10.2.1.2 The Designated Depository in co-ordination with Domestic Custodian, other Depository and Foreign Depository (if required) shall compute, monitor and disseminate the Depository Receipts (DRs) information as prescribed in the framework. The said information shall be disseminated on website of both the Indian Depositories. For this purpose, the Designated Depository shall act as a Lead Depository and the other depository shall act as a Feed Depository.

10.2.2 Accordingly, Companies are requested to provide their consent for appointing CDSL as Designated Depository for the purpose of monitoring of limits in respect of Depository Receipts, if any, in the prescribed format. The listed company shall submit the aforesaid consent letter to CDSL duly signed by the Company Secretary or the authorised signatory of the company. Alternatively, email from the email ID of the Company Secretary or the authorized signatory of the company may be sent.

[60] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2022/214 dated December 29, 2022
[61] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2020/119 dated October 13, 2020

Chapter 11 : e-Voting Facility

11.1 e-Voting Facility

11.1.1 As per SEBI circular ref : SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the listed entity shall provide the details of the upcoming AGMs requiring voting to the Depository. The depository shall send SMS/email alerts in this regard, to the demat account holders, atleast 2 days prior to the date of the commencement of e-voting.

11.1.2 Pursuant to said circular, the companies shall provide details of all upcoming events, such as AGM, EGM, Postal Ballot, and any other events requiring electronic voting, through the Depository and the depository shall send SMS/email alerts in this regard, to the CDSL demat account holders based on the information provided by the companies. The CDSL will charges fees for sending SMS/email alerts to the CDSL Demat account holders. This will be applicable to all events of companies whose shares are held in Demat form.[62]

11.1.3 Issuers shall access the Issuer Centre Portal of CDSL and shall set up/provide details of their upcoming events requiring voting. It is recommended to set up and provide these details in the system on or before the record/cut-off date to enable the system to offer e- voting facilities to their members through the CDSL Depository system.

11.1.4 Further, it is recommended to set up/provide such details in the system on or before the record/cut-off date to allow the CDSL to send email/SMS alerts at least 2 days before the commencement of voting. Events for which details are not updated or provided to the depository may not be considered for compliance of sending email/SMS alerts at least 2 days prior to the start of voting.

11.1.5 Once the Issuer has updated the required e-voting details in the system, these will be considered final for displaying e-voting events to shareholders and for sending email/SMS alerts to CDSL demat account holders. It is advised to ensure that the correct details are provided for accurate communication with shareholders.

11.1.6 The above facility is also available to the RTAs, allowing them to set up / provide details of upcoming events requiring voting on behalf of their respective companies.

[62] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2022/42 dated February 25, 2022

Chapter 12 : Internal Audit

12.1 Format of Internal Audit Report[63]

12.1.1 The RTA shall ensure that an internal audit in respect of its depository operations is conducted at intervals not exceeding six months by a qualified Chartered Accountant, Company Secretary, or Cost and Management Accountant holding a Certificate of Practice and a duly signed internal audit report shall be submitted to the CDSL.

12.1.2 The internal audit should cover all activities related to depository operations carried out by the RTA. The scope, minimum samples required, and the format of the Audit Report may be prescribed by CDSL from time to time. Auditor may expand the scope of audit / add more audit points to achieve the objectives of audit.

12.1.3 The following are the broad objectives of the internal audit function for the operations of an RTA:

- 12.1.3.1 To ensure that the RTA is complying with SEBI circulars, Bye Laws and Operating Instructions for RTA, CDSL communiqués, and agreements entered into with CDSL.
- 12.1.3.2 To verify that the necessary internal controls, checks, and risk management procedures are in place.
- 12.1.3.3 To assess whether the RTA's manpower, procedures, and systems are adequate with respect to its current and projected business.
- 12.1.3.4 To ensure the existence of an appropriate risk management policy, including internal controls and exception reporting mechanisms.
- 12.1.3.5 To confirm that systems are managed in a manner to ensure that there is no risk to business continuity, and the integrity of data processing is maintained at all times.
- 12.1.3.6 To evaluate the adequacy of procedures for maintaining records at all times, ensuring that sufficient backup of records is available in case of data loss or destruction.

12.1.4 The audit report should include the following:

- 12.1.4.1 The scope, objectives, audit period, and the nature and extent of the audit work performed.
- 12.1.4.2 The minimum sampling plan. Internal auditors should select samples considering all ISINs managed (both Listed/Unlisted) by the RTA/Issuers, giving more weightage to companies with a higher volume of transactions. Additional samples should be drawn from listed companies on exchanges.
- 12.1.4.3 Observations on all checklist points should be included, highlighting exceptions and any deviations of a repetitive nature. If deviations from prescribed procedures are found, the exact nature of these deviations should be specified.
- 12.1.4.4 Any recommendations from the auditors regarding internal controls, procedures, and other related aspects. Management's comments on all exceptions, deviations, adverse observations, and recommendations made by the auditor.
- 12.1.4.5 The compliance status regarding observations from earlier audit reports and previous CDSL inspections. If the RTA provides misleading compliance, the internal auditor should specifically comment on this.

[63] Reference: CDSL communiqué no. CDSL/AUDIT/RTA/POLCY/2025/265 dated October 09, 2025

12.1.4.6 If any point or comment is of a confidential nature, the auditor may communicate it separately to CDSL.

12.1.4.7 Checklist points that are not applicable should be marked as “not applicable,” with reasons stated in the remark’s column. The number of instances of non-compliance should be stated under the column “No. of Instances,” with details provided as an annexure to the report.

12.1.4.8 A statement from the auditor confirming that they are not a related party to the RTA.

12.1.4.9 The auditor’s membership number.

12.1.4.10 Ensure that the ODR mechanism has been properly implemented by the RTA.

12.1.4.11 Internal auditors must verify, review, and confirm that all related website compliances are in place.

12.1.5 The due dates for submission of IAR for half year ended 31st March and 30th September are 15th May and 15th November respectively. Issuer / RTAs to adhere strictly to the timelines for submitting the IAR and a failure to submit the IAR on or before due date will result in penalties as per Operating Instructions.

12.1.6 The submission of IAR shall be online and a physically submission of IAR shall not be acceptable and shall be considered as non-submission.

12.1.7 RTAs activated during the half-year ended 31st March should submit the internal audit report pertaining to the period from the date of activation till the end of the half year.

12.1.8 The RTA shall ensure that internal audit findings along with management comments are placed before its Board of Directors in respect of its Depository operations.

12.1.9 The internal audit report should contain a declaration to the effect that at least one person conducting the internal auditor of the RTA (including in-house RTAs) is NISM Series IIA certified. The internal audit report submitted by the RTA and signed by the auditors who have not fulfilled the requirement of NISM qualification, will not be accepted and will be considered as non-submission.

Chapter 13: Investor Grievance

13.1 Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s)[64]

13.1.1 Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and bye-laws, listing agreement & regulations of the stock exchanges provide for dispute resolution under the stock exchange arbitration mechanism for disputes between a listed company and its shareholder(s)/ investor(s).

13.1.2 In this regard, stock exchanges are advised to put in place Standard Operating Procedures (SOP) for operationalizing the resolution of all disputes pertaining to or emanating from investor services such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, etc. and investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest /coupon payments on securities, etc.

13.1.3 Further, in respect of disputes in above matters where the RTAs are offering services to shareholder(s)/ investor(s) on behalf of listed companies, the RTAs shall continue to be subjected to the stock exchange arbitration mechanism.

13.2 Online processing of investor service requests and complaints by RTAs[65]

13.2.1 Holders of physical security certificates are required to submit various documents to the RTAs with respect to various service requests/ complaints including but not limited to:

13.2.1.1 Intimation of / updation of / change in Permanent Account Number, Nominee, Bank details, Contact details, Signature, Name etc.;

13.2.1.2 Processing of investor requests (Duplicate security certificates, folio consolidation, transmission, transposition etc.);

13.2.1.3 Services through depository participants such as dematerialization, re-materialization etc.

13.2.2 The process is digitized in two phases and provides a mechanism for the investor to lodge service requests and complaints online and thereafter track the status and obtain periodical updates which would, *inter-alia,* confer the following benefits:

13.2.2.1 Database for service requests and complaints;

13.2.2.2 Online acknowledgement and intimation to the investor;

13.2.2.3 Online tracking of status of service requests and complaints by investors.

13.2.3 All RTAs servicing listed companies shall have a functional website. Such website shall mandatorily display the following information, in addition to all such information, which have been mandated by SEBI from time to time:

13.2.3.1 Basic details of the RTA such as registration number, registered address of Head Office and branches, if any;

13.2.3.2 Names and contact details such as email ids etc. of key managerial personnel (KMPs) including compliance officer in the prescribed format of Escalation Matrix';

[64] Reference: CDSL communiqué no. CDSL/OPS/RTA/ POLCY/2022/100 dated May 09, 2022
[65] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/106 dated June 12, 2023

13.2.3.3 Step-by-step procedures for various service requests, Frequently Asked Questions (FAQs), procedure for filing a complaint and finding out the status of the complaint, etc.

13.2.4 All RTAs shall also set up a user-friendly online mechanism or portal for service requests/ complaints with the following minimum features:

13.2.4.1 The online system should provide an option for the investors to directly apply for login credentials in the portal of the RTA after appropriate authentication/validation mechanism including One Time Passwords (OTPs) on mobile. Upon successful registration on the portal, the investor would be able to view his/her holdings, lodge service requests/ complaints for the respective companies and track the status of service requests/complaints so lodged.

13.2.4.2 The service request/ complaint can be submitted either through upload of duly filled in relevant standard forms prescribed by SEBI or through fillable relevant standard forms provided in the portal.

13.2.4.3 For each service request/ complaint, the online system shall display a number of categories in order to enable the investor to choose the most relevant category for lodging his/her service request/ complaint. The system shall also display a list of documents required to be provided by the investor and the instructions thereof for each category. These documents shall be finalized by the QRTAs and shall be uniform across all the RTAs.

13.2.4.4 However, additional documents may be sought by the RTA on the basis of specific facts of the matter and wherein any additional due diligence is required to be done.

13.2.4.5 In terms of SEBI's master circular for RTAs as updated from time to time, the documents are required to be submitted either in-person, through post or e-signed. However, copy of the self-attested documents which are required to be submitted to the RTA may also be submitted by way of uploading the same on the portal.

13.2.4.6 Generation of unique reference number (URN): On uploading of the documents required for processing of investor's service requests/ complaints on the portal, a URN shall be generated and displayed on the portal. The same shall also be sent to the investor by way of email and SMS to the email id and mobile number respectively registered with RTA. RTAs shall also advise the investor to indicate the URN while sending physical documents in respect of requests/ complaints already lodged on the portal.

13.2.4.7 For an investor who submits only physical documents to the RTA for processing of his/her service requests/ complaints, RTAs shall provide an acknowledgement in terms of SEBI's master circular for RTAs as updated from time to time, which shall also quote URN.

13.2.4.8 By using URN along with appropriate authentication/validation, the investor can track the status of his/her service request/ complaint on website/portal of the RTA.

13.2.4.9 It may be noted that wherever investor service requests require submission of physical documents, those requests shall be considered and taken up for processing by RTA only after receipt of physical documents.

13.2.4.10 Online requests will be kept pending for receipt of physical documents for 30 days. Requests pending beyond 30 days awaiting receipt of physical documents will be closed with communication about non-receipt. In such case, the investor will have to raise a fresh request.

13.2.4.11 At every stage of processing the service requests/ complaints, the investor shall receive an alert about the status through SMS and / or email till the matter is concluded. The system shall have provision for seeking clarifications by the RTAs and submission by the investors in response to the same including option of uploading additional documents.

13.2.5 The aforesaid online mechanism should be scalable with robust cyber security protocols. Further, RTAs shall ensure that the online mechanism complies with the existing guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) specified by SEBI.

13.2.6 RTAs shall provide a certificate of compliance from a practicing Company Secretary, within 30 days from the date of implementation of online system along with the functional website, certifying the changes carried out, systems put in place/ new operating procedures implemented etc. to comply with the provisions of this circular.

13.2.7 The RTAs shall send an electronic intimation to all the investors whose e-mail address and/or mobile number is available about the availability of the aforesaid online mechanism. Additionally, listed companies and RTAs shall also disseminate the availability of this mechanism on their respective websites.

13.2.8 A common website shall be made and operated by QRTAs through which investors shall be redirected to individual web-based portal/website of the concerned RTA for further resolution by putting the name of the listed company. This website shall have the functionality of adding companies/RTAs to its search list as and when required.

13.2.9 This circular is applicable to the RTAs which deal in folios of listed companies. Also, while transferring the business from one RTA to another, the listed company shall ensure that the new RTA is in compliance with the provisions of this circular.

13.3 Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination

13.3.1 SEBI vide its circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 has prescribed the norms/procedural requirements for processing service requests of investors. [66]

13.3.2 **Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities:** It shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers.

13.3.3 **Folios without PAN, KYC details and Nomination:** The security holder(s) whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible: [67]

13.3.3.1 to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination.

[66] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2023/59 dated March 20, 2023
[67] Reference: CDSL communiqué no. CDSL/OPS/RTA/ POLCY/2023/249 dated November 20, 2023

13.3.3.2 for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024. An intimation shall be sent by the Listed Company to the securityholder that such payment is due and shall be made electronically only upon complying with the requirements.

13.3.4 **Attestation of documents:** Self-attested copies of documents will be accepted by the RTA for processing of service requests, unless otherwise prescribed in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder.

13.3.5 **Mode for providing documents/details by investors for various service requests:** The security holder/claimant may provide the documents/details to the RTAs for various service requests by way of 'In Person Verification' (IPV) or Post or electronic mode with e-sign; unless otherwise prescribed in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder.

13.3.6 **Standardized, simplified and common norms for processing investor service requests:** The details with regard to simplified and common norms along with operational guidelines are provided for processing various service requests e.g. mismatch in signature, mismatch in name, change in name, updation of bank details and contact details.

13.3.7 **Forms for availing various Investor services:** Investors holding securities in physical mode interface with the RTAs, inter-alia, for registering/updating the KYC details and for the processing of various service requests are provided with requisite forms.

13.3.8 **Indemnity:** For any service request except transmission and request for issuance for duplicate security certificates, indemnity shall not be required unless the same is specifically provided in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder.

13.3.9 **KYC details across all folios of the holder, maintained by the RTA**

13.3.9.1 RTAs shall update the PAN and KYC details across all the folios of the holder managed by it and details which are already available with the RTA are to be overwritten, upon specific authorization for the same from the holder, as provided in Form ISR-1.

13.3.9.2 RTA shall update the folio(s) of the holder with the information on 1) present address, 2) bank details, 3) E-mail address and 4) mobile number from the details available in the Client Master List (CML) duly signed by the Depository Participant with stamp, if the holder / claimant provides the CML along with duly completed and signed Form ISR-1.

13.3.9.3 Details which are not available for the physical folio in RTA database as provided in CML along with Form ISR-1 as above, shall be updated from the CML.

13.3.10 **Timelines for registering of / updation of / change in PAN, KYC and nomination**

13.3.10.1 RTAs shall process any of the aforesaid requests from the holder, within timeline as mentioned in the circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/

2021/670 dated November 26, 2021 or as may be prescribed by SEBI from time to time.

13.3.10.2 With regard to nomination, the cancellation or variation in nomination shall take effect from the date on which the duly completed and signed intimation is received by the company / RTA in terms of Rule 19 (10) of the Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time.

13.3.11 **Display of contact details of RTAs:** RTAs shall provide their complete contact details (viz. postal address, phone numbers and e-mail address etc.) on their respective websites. The same shall also be provided on the websites of the listed companies and the stock exchanges on which such company is listed. RTA shall arrange to update the same forthwith, as and when there is a change.

13.3.12 **All objections by RTA in one instance:** While processing service requests and related complaints, the RTAs shall raise all objections, if any, in one instance only. The additional information may be sought only in case of any deficiency / discrepancy in the documents / details furnished by the security holder.

13.3.13 **Electronic interface for processing queries and complaints**

13.3.13.1 In addition to responding to queries and complaints through hard copies, the RTA shall also process the same received through e-mails, provided that it is received from the e-mail address of the security holder which is already registered with the RTA. The security holder may attach scanned copies of self-attested documents in support of his/her query or complaint.

13.3.13.2 Further, if the RTA is providing an online portal, then the security holder may submit his/her query or complaint through this portal, using appropriate credentials for login and password. The security holder may upload scanned copies of self-attested documents in support of his/her query or complaint002E

13.3.13.3 The RTA shall also use the electronic/on-line mode for communicating with the holder/claimant for expeditious processing of queries/complaints of the security holder.

13.3.14 **Intimation to security holders:** Listed companies, RTAs and Stock Exchanges shall disseminate the requirements to be complied with by holders of physical securities of all listed companies on their respective websites. Listed companies shall also directly intimate its security holders about folios which are incomplete with regard to details required under para 4 of this circular on an annual basis within 6 months from the end of the financial year. However, for the Financial Year 2022- 23, intimation shall be sent by the listed companies on or before May 31, 2023.

13.3.15 RTAs shall provide a certificate of compliance from a practicing Company Secretary, within 30 days from the date of this circular coming into effect, certifying the changes carried out, systems put in place / new operating procedures implemented etc. to comply with the provisions of this circular.

13.3.16 Listed Companies/RTAs shall submit a report to SEBI by May 31, 2023, on the steps taken by them towards sensitizing their security holders regarding mandatory furnishing of PAN, KYC and nomination details as detailed in para 4 of this circular.

13.4 Redressal of investor grievances on Online Dispute Resolution Portal

13.4.1 The SMART ODR Portal has been setup by the relevant Market Infrastructure Institutions (MII's) for online conciliation and arbitration of dispute resolution. [68]

13.4.2 The Issuer / RTAs should get themselves registered on the SMART ODR Portal and set up their respective accounts for receiving complaints registered against the concerned Issuer / RTAs.

13.5 SEBI Complaint Redress System

13.5.1 SEBI has launched the new version of the SEBI Complaint Redress System (SCORES 2.0) allowing investors to lodge complaints via a web URL and an app.[69]

13.5.2 The salient features of SCORES 2.0 are as follows:

13.5.2.1 The timelines for redressal of investor complaints across the securities market i.e. 21 calendar days from date of receipt of complaint and Monitoring of the timely redressal of the investors' complaints by the 'Designated Bodies'.

13.5.2.2 There will be two levels of review. First review by the 'Designated Body'. If the investor is dissatisfied with the resolution provided by the concerned Market participant. Second review will by SEBI if the investor is still dissatisfied after the first review.

13.5.2.3 Introduction of auto-escalation of complaints to the next level in case of non-adherence to the prescribed timelines by the Market participant or the Designated Body as the case may be.

13.5.2.4 Integration with KYC Registration Agency database for easy registration of the investor on to SCORES.

13.5.3 Pursuant to SEBI PR No.06/2024 announcing launch of the new version of the SEBI Complaint Redressal System (SCORES 2.0) on April 01, 2024, RTAs to review information available on their websites and other resources to ensure that the updated SCORES 2.0 domain name https://scores.sebi.gov.in is mentioned as against the old domain i.e., https://www.scores.gov.in. Additionally, the literature across various resources should be updated to align with the SCORES 2.0 procedure, replacing the old guidelines associated with the former SCORES. [70]

13.6 Publishing Investor Charter and Disclosure of Complaints by Registrar and Share Transfer Agents (RTAs) on their websites[71]

13.6.1 All the registered RTAs shall take necessary steps to bring the Investor Charter to the notice of existing and new shareholders by way of:

13.6.1.1 disseminating the Investor Charter on their websites / through e-mail

13.6.1.2 displaying the Investor charter at prominent places in offices etc.

[68] Reference: CDSL communiqué no. CDSL/IG/RTA/POLCY/2023/196 dated September 13, 2023
[69] Reference: CDSL communiqué no. CDSL/IG/RTA/GE NRL/2024/54 dated April 05, 2024
[70] Reference: CDSL communiqué no. CDSL/IG/RTA/GENRL/2024/175 dated October 07, 2024
[71] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/134 dated May 15, 2025

13.6.2 All the registered RTAs shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the prescribed format.

13.7 Investor grievance report[72]

13.7.1 The RTAs are advised to submit the quarterly investor grievance report in the prescribed format to CDSL by the 10th of following month. Even if the RTA (including in-house RTAs) does not have any grievance to report, a NIL report has to be submitted.

[72] Reference: CDSL communiqué no. CDSL/AUDIT/RTA/POLCY/2017/75 dated December 27, 2017

Chapter 14 : Violations and Penalties

14.1 Revised RTA/ Issuer Penalty Structure

A list of fees and charges levied by CDSL to the Issuers is available at https://www.cdslindia.com/RTA/OperatingInstructions.html

Chapter 15 : Others

15.1 <u>Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)</u>[73]

15.1.1 SEBI has issued Cybersecurity and Cyber resilience framework for Market Infrastructure Institutions (MIIs) in 2015. Subsequently, SEBI had issued other Cybersecurity and Cyber resilience frameworks in line with MIIs circular of 2015 for the REs including Qualified Registrar to an Issue and Share Transfer Agents (QRTAs).

15.1.2 SEBI vide its circular no. SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2025/60 dated April 30, 2025[74], and SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2025/119 dated August 28, 2025[75] has issued Clarifications to Cyber Security and Cyber Resilience Framework for RTAs.

15.1.3 In order to strengthen the cybersecurity measures in Indian securities market, and to ensure adequate cyber resiliency against cybersecurity incidents/ attacks, Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI REs has been formulated in consultation with the stakeholders. The CSCRF aims to provide standards and guidelines for strengthening cyber resilience and maintaining robust cybersecurity of SEBI REs.

15.1.4 The key objective of CSCRF is to address evolving cyber threats, to align with the industry standards, to encourage efficient audits, and to ensure compliance by SEBI REs. The CSCRF also sets out standards formats for reporting by REs.

15.1.5 The CSCRF is standards based and broadly covers the five cyber resiliency goals adopted from Cyber Crisis Management Plan (CCMP) of Indian Computer Emergency Response Team (CERT-In) for countering Cyber Attacks and Cyber Terrorism including:

15.1.5.1 Anticipate
15.1.5.2 Withstand
15.1.5.3 Contain
15.1.5.4 Recover
15.1.5.5 Evolve

15.1.6 These cyber resiliency goals have been linked with the following cybersecurity functions:

15.1.6.1 Governance
15.1.6.2 Identify
15.1.6.3 Protect
15.1.6.4 Detect
15.1.6.5 Respond
15.1.6.6 Recover

15.1.7 CSCRF follows a graded approach and classifies the REs in the following five categories based on their span of operations and certain thresholds like number of clients, trade volume, asset under management, etc.:

15.1.7.1 Market Infrastructure Institutions (MIIs)
15.1.7.2 Qualified Res
15.1.7.3 Mid-size Res

[73] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2024/133 dated August 21, 2024
[74] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/121 dated May 06, 2025
[75] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/233 dated September 01, 2025

15.1.7.4 Small-size Res
15.1.7.5 Self-certification REs

15.1.8 The framework provides a structured methodology to implement various solutions for cybersecurity and cyber resiliency. In order to facilitate better understanding and ease of compliance, the document is divided into four parts:

15.1.8.1 Part I: Objectives and Standards – It contains definitions, framework compliance matrix, audit report timelines, objectives and standards.

15.1.8.2 Part II: Guidelines – It contains guidelines which provide recommendations or suggestions on how to achieve a particular outcome or meet certain objectives and implement respective standards. There are certain guidelines, which are mandatory in nature and have been specified accordingly.

15.1.8.3 Part III: Compliance Formats – It contains standard formats for the submission of CSCRF compliance reports.

15.1.8.4 Part IV: Annexures and References - It contains guidelines to auditors, scenario-based cyber resilience testing, Cyber Capability Index (CCI), functional efficacy of Security Operations Centre (SOC), etc.

15.1.9 CSCRF highlights the importance of governance and supply chain risk Management and at the same time, it focuses on evolving security guidelines such as data classification and localization, Application Programming Interface (API) security, Security Operations Centre (SOC) and measuring its efficacy, Software Bill of Materials (SBOM), etc.

15.1.10 CSCRF aims to ensure that even smaller REs are equipped with adequate cybersecurity measures and achieve resiliency against cybersecurity incidents/ attacks.

15.1.11 Cyber Capability Index (CCI) for MIIs and Qualified REs shall help these REs to monitor and assess their progress and cyber resilience on a periodic basis.

15.1.12 CSCRF mandates that all REs are required to establish appropriate security monitoring mechanisms through Security Operation Centre (SOC). The onboarding of SOC can be done through RE's own/ group SOC or Market SOC or any other third-party managed SOC for continuous monitoring of security events and timely detection of anomalous activities.

15.1.13 As compliance with the cybersecurity guidelines may be onerous for smaller REs due to the lack of knowledge and expertise in cybersecurity and the cost factor involved in setting up own SOC. Therefore, CSCRF mandates NSE and BSE to set up Market SOC (M-SOC) with the objective of providing cybersecurity solutions to such categories of REs.

15.1.14 CSCRF contains provisions with respect to various areas such as requirements of IT services, Software as a Service (SaaS) solution, hosted services, classification of data, audit for software solutions/ applications/ products used by REs, etc.

15.1.15 In order to simplify and streamline the reporting of compliance, structured formats for reports and submissions have been provided in the CSCRF.

15.1.16 The framework shall be applicable to the REs including Registrar to an Issue and Share Transfer Agents (RTAs).

15.1.17 Since new standards and controls have been added in CSCRF, a glide-path for adoption of CSCRF provisions has been provided as under:

15.1.17.1 For six categories of REs where cybersecurity and cyber resilience circular already exists – by January 01, 2025.

15.1.17.2 For other REs where CSCRF is being issued for the first time – as prescribed by SEBI.

15.1.18 REs shall put in place appropriate systems and procedures to ensure compliance with the provisions (i.e., applicable standards and guidelines) of CSCRF, and conduct cyber audit as per CSCRF after the above-mentioned timelines. Cyber audit reports along with other required documents shall be submitted as per timelines provided in the CSCRF.

15.1.19 The reporting of compliance with respect to CSCRF shall be done to the authority as per the existing mechanism of reporting for cybersecurity audit.

15.1.20 Criteria and thresholds for RTA categorization:

15.1.20.1 Small-size REs - Servicing number of folios are 10,000 and above but less than 1 crore.

15.1.20.2 Mid-size REs - Servicing number of folios are 1 crore and above but less than 2 crore.

15.1.20.3 Qualified REs - N.A.

15.1.20.4 MIIs – QRTAs

15.1.20.5 RTAs servicing less than 10,000 folios shall be excluded from submission of compliance with CSCRF

15.1.20.6 Any other relevant criteria as prescribed by SEBI from time to time.

15.1.21 This framework shall supersede existing SEBI cybersecurity circulars/ guidelines/ advisories/ letters.

15.1.22 Regulatory forbearance: With regard to the compliance requirements, which are effective from January 01, 2025 under the CSCRF, regulatory forbearance is provided till March 31, 2025. For any non-compliance during this period that comes to the notice of the regulator, no regulatory action shall be taken provided the REs are able to demonstrate meaningful steps taken / progress made in implementation of CSCRF. An opportunity shall be given to the REs to demonstrate the same before any regulatory action is considered by SEBI. [76]

15.2 Submission of compliance certificate by RTAs[77]

15.2.1 The RTAs (including in-house RTAs) are required to ensure that the depository operations are in compliance with all applicable laws and especially with respect to the following:

15.2.1.1 The Depositories Act, 1996;

15.2.1.2 The SEBI (Depositories and Participants) Regulations, 2018 including reconciliation of dematerialised securities with all the securities issued by the issuer, on a daily basis

[76] Reference: CDSL communiqué no. CDSL/OPS/RTA/ POLCY/2025/3 dated January 01, 2025
[77] Reference: CDSL communiqué no. CDSL/ A,I&C /RTA/POLCY/2025/292 dated November 28,2025

15.2.1.3 SEBI (Registrars to an Issuer and Share Transfer Agents) Regulations, 1993.

15.2.1.4 The Bye Laws and Operating Instructions of CDSL.

15.2.1.5 Directives / Circulars / Communiqué / Clarifications / Guidelines issued by SEBI, Government of India, Regulatory Bodies and CDSL, from time to time.

15.2.2 The RTAs shall not have any direct or indirect association with another person who-

15.2.2.1 provides advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, unless the person is registered with or otherwise permitted by the SEBI to provide such advice or recommendation; or

15.2.2.2 makes any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, unless the person has been permitted by the SEBI to make such a claim.

15.2.3 All the RTAs are, therefore, advised to submit the 'Compliance Certificate' digitally signed on half yearly basis to CDSL electronically.

15.3 Compliance with directives Issued by Telecom Regulatory Authority of India (TRAI)[78]

15.3.1 Issuers / RTAs are hereby informed that the Telecom Regulatory Authority of India (“TRAI”) has notified amendments to the Telecom Commercial Communications Customer Preference Regulations (“TCCCPR”), 2018 with an objective to strengthen the consumer protection against Unsolicited Commercial Communication (“UCC”).

15.3.2 In view of the above, Issuers / RTAs are advised to take note of the following:

15.3.2.1 Ensure full compliance with the provisions of the amended TCCCPR, 2018.

15.3.2.2 Complete whitelisting of URLs, APKs, etc., used by Investment Advisers (Principal Entities).

15.3.2.3 Using 1600 series for outbound service and transactional calls.

15.3.2.4 Not to use normal 10-digit numbers for making any commercial communications including service and transactional calls.

15.3.2.5 Using Session Initiation Protocol (SIP) / Primary Rate Interface (PRI) connections only in compliance with TCCCPR, 2018.

15.3.2.6 Extend full cooperation with the Indian Cybercrime Coordination Centre (“I4C”) and TRAI with respect to any reporting and advisory protocols issued.

15.3.2.7 Strengthen internal systems and controls to ensure there is no inadvertent or malicious use of registered headers and content templates associated with the Investment Advisers.

15.4 Telecom Regulatory Authority Of India (TRAI) Direction – Mandatory Phase-wise adoption of 1600-series numbers[79]

15.4.1 Issuers / RTAs are hereby informed that the Telecom Regulatory Authority of India (“TRAI”) has issued a Direction dated November 19, 2025 under section 13, read with sub-clauses (i) and (v) of clause (b) of sub-section (1) of section 11 of the TRAI Act, 1997, mandating phase-wise adoption of the 1600-series for all service and transactional voice calls made by entities regulated by RBI, SEBI and PFRDA.

15.4.2 **The Direction has been issued after:**

15.4.2.1 FY2024–25 consumer awareness findings indicating persistent misuse of 10-digit numbers for service/transactional calls by BFSI entities, potentially resulting in

[78] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/174 dated June 27, 2025

[79] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/288 dated November 24, 2025

Unsolicited Commercial Communication (UCC), spoofing and impersonation frauds;

15.4.2.2 DoT's allocation of a dedicated "1600" series (letter dated December 23, 2024) exclusively for Government and BFSI entities.

15.4.2.3 Consultations with sector regulators and timelines submitted in response to TRAI's letter dated September 03, 2025.

15.4.3 **Key compliance requirements:**

Mandatory adoption of 1600-series strictly as per timelines in Annexure-I of the Direction (refer annexure). Further the important of dates of the same are:

Phase	**Category of Entities**	**Last Date for mandatory adoption of 1600-series**
Phase-II	Qualified Stockbrokers (QSBs), as identified in the list published annually on the websites of the Stock Exchanges	March 15, 2026
Phase-III	SEBI-registered intermediaries, other than those mentioned above	Voluntary adoption for time being

15.4.4 Entities must not initiate any service or transactional voice calls from non-1600 numbers after the specified dates, even where explicit or inferred customer consent exists.

15.4.5 Issuers / RTAs are advised to ensure strict and timely compliance with the adoption timeline and operational conditions indicated therein.

15.5 TRAI Direction to mandate Pre-Tagging of variables in SMS content templates[80]

15.5.1 RTAs are hereby informed that the Telecom Regulatory Authority of India (TRAI) has issued a Direction dated November 18, 2025 under section 13 of the TRAI Act, prescribing mandatory measures to curb misuse of Headers and SMS Content Templates under the Telecom Commercial Communications Customer Preference Regulations, 2018.

15.5.2 The Direction mandates pre-tagging of every variable field in SMS templates with descriptive labels indicating content type, purpose, and validation criteria, along with compulsory scrubbing against pre-whitelisted URLs, OTT/APK links and callback numbers. The deadlines notified by the Authority are as under:

15.5.2.1 **Within 10 days of the Direction:**

All newly registered SMS templates must comply with mandatory variable pre-tagging before approval.

15.5.2.2 **Within 30 days of the Direction:**

Access Providers must commence automated scrubbing and validation of all tagged variables.

15.5.2.3 **Within 60 days from commencement of scrubbing:**

All existing content templates must be updated to comply with the prescribed pre-tagging standards.

[80] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/295 dated December 01, 2025

15.6 Undertaking on Compliance with Regulation 82B of SEBI (D&P) Regulations, 2018 – Restriction on Association with certain persons[81]

15.6.1 SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/11 dated January 29, 2025, pertaining to the Details/clarifications on provisions related to association of persons regulated by the Board, MIIs, and their agents with persons engaged in prohibited activities.

15.6.2 In this regard, RTAs are requested to submit an undertaking on their official letterhead confirming compliance with Regulation 82B of SEBI (D&P) Regulations, 2018 concerning restrictions on association with certain persons.

15.7 Ease of Doing Investment – Special Window for Re-lodgement of Transfer Requests of Physical Shares[82]

15.7.1 Transfer of securities in physical form was discontinued with effect from April 01, 2019. Subsequently, it was clarified that transfer deeds lodged prior to the said date and rejected or returned due to deficiencies in documents or processes could be re-lodged. March 31, 2021 was fixed as the cut-off date for such re-lodgement.

15.7.2 SEBI received representations from investors, Registrar and Transfer Agents (RTAs), and listed companies indicating that certain investors had missed the timeline prescribed for re-lodgement of transfer requests. The matter was examined by a Panel of Experts comprising representatives of RTAs, listed companies, and a legal expert. Based on its deliberations, the Panel recommended granting an additional opportunity to such investors.

15.7.3 In order to facilitate ease of investing and safeguard the rights of investors in securities purchased by them, SEBI has decided to open a special window for re-lodgement of transfer deeds that were:

15.7.3.1 lodged prior to April 01, 2019; and

15.7.3.2 rejected, returned, or not attended to due to deficiencies in documents, processes, or otherwise.

15.7.4 The special window shall remain open for a period of six months, from July 07, 2025 to January 06, 2026 (both days inclusive).

15.7.5 During the aforesaid period, all securities re-lodged for transfer, including requests pending with the listed company or RTA as on the date of commencement of the special window, shall be processed only in dematerialised form. RTAs shall ensure that the prescribed due process is followed for such transfer-cum-dematerialisation requests.

15.7.6 RTAs, in coordination with listed companies and Stock Exchanges, shall adequately publicise the opening of the special window through various media, including print and social media, on a bi-monthly basis during the six-month period.

15.7.7 RTAs and listed companies shall deploy dedicated and focused teams to attend to and expeditiously process re-lodgement and transfer-cum-dematerialisation requests received during the special window.

15.8 Ease of Doing Investment - Smooth transmission of securities from Nominee to Legal Heir[83]

[81] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/128 dated May 09, 2025
[82] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/183 dated July 03, 2025
[83] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/251 dated September 22, 2025

15.8.1 RTAs are requested to note that SEBI has streamlined the process of appointing nominee. The nominee acts as a Trustee of the securities of the original security holder and transfers the securities to the legal heir as per succession plan.

15.8.2 As per existing procedure for effecting such transfers, the nominee, while transferring the securities to legal heir, may get assessed for capital gains tax. Payment of tax by the nominee in such a situation may not be appropriate considering that in terms of clause (iii) of Section 47 of the Income Tax Act, 1961, such transmission is exempted and not considered as "transfer". While the nominee may claim refund of such tax, this process causes inconvenience to the nominee.

15.8.3 In order to alleviate this inconvenience, a Working Group ("WG") was formed. The WG, based on engagement with the Central Board of Direct Taxes ("CBDT"), recommended that to address the issue, reporting entities should use the reason code "TLH" (i.e. Transmission to Legal Heirs), while reporting such transactions to the CBDT.

15.8.4 Accordingly, in order to streamline the process of transmission of securities from nominee to legal heir and resolve the abovementioned issues related to taxation, it has been decided that a standard reason code viz. "TLH" shall be used by the reporting entities while reporting the transmission of securities from nominee to legal heir, to the CBDT so as to enable proper application of the provisions of the Income Tax Act, 1961.

15.8.5 The procedural requirements for transmission of securities to legal heir shall continue to be as provided under the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Master Circular for Registrars to an Issue and Share Transfer Agents dated as updated from time to time.

15.8.6 RTAs, Listed Issuers, Depositories and Depository Participants are directed to take note of above and make necessary system changes and implement above proposal with effect from January 01, 2026.

15.9 <u>Monitoring of Minimum Investment Threshold under Specialized Investment Funds (SIF)</u>[84]

15.9.1 The regulatory framework for Specialized Investment Funds (SIFs) has been specified by the Securities and Exchange Board of India (SEBI) vide circular dated February 27, 2025, read with circulars dated April 09, 2025 and April 11, 2025.

15.9.2 Asset Management Companies (AMCs) shall monitor compliance with the Minimum Investment Threshold of INR 10 lakh on a daily basis and ensure that there are no active breaches. An active breach shall mean a fall in the aggregate value of an investor's total investment across all SIF investment strategies below the prescribed threshold due to transactions initiated by the investor, including redemption, transfer, or sale.

15.9.3 In case of an active breach:

15.9.3.1 All units held by such investor across investment strategies of the concerned SIF shall be frozen for debit.

15.9.3.2 The investor shall be provided 30 calendar days' notice to rebalance investments to restore compliance with the Minimum Investment Threshold.

[84] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2025/208 dated July 30, 2025

15.9.4 If the investor rebalances investments within the notice period, the units shall be unfrozen, and no further action shall be taken. In case the investor fails to rebalance within the notice period, the frozen units shall be automatically redeemed by the AMC at the applicable Net Asset Value (NAV) of the next business day after completion of the 30-day notice period.

15.9.5 AMCs, RTAs and Depositories shall put in place necessary systems and procedures to implement the above provisions.

15.10 Ease of Doing Investment and Ease of Doing Business – Doing away with requirement of issuance of Letter of Confirmation ("LOC") and to effect direct credit of securities in dematerialisation account of the investor [85]

15.10.1 RTAs are advised to refer to the SEBI Circular no. HO/38/13/(3)2026-MIRSD POD/I/3763/2026 dated January 30, 2026, regarding Ease of Doing Investment and Ease of Doing Business – Doing away with requirement of issuance of Letter of Confirmation ("LOC") and to effect direct credit of securities in dematerialisation account of the investor.

15.10.2 [86]In view of the above, CDSL is making necessary system enhancement, whereby the respective RTAs / Issuers will be able to setup the dematerialisation request through online / single entry mode in the CDSL systems. This is in addition to the existing functionality of verification and confirmation of dematerialisation request which is being used by the RTAs / Issuers for the requests received from the Depository Participant (DP)s. Only investor service requests such as issuance of duplicate certificates, transmission, transposition, claims from unclaimed suspense account and corporate actions should be processed through this enhanced system functionalities.

15.10.3 Given below is the Dematerialisation process to be followed by the RTAs / Issuers for the abovementioned Investor Service Requests:

15.10.3.1 The investor/s will submit duly filled and signed Demat Request Form (DRF) along with the Investor Service Request as per Annexure 1.4 and physical certificates, wherever applicable.

15.10.3.2 The self-attested latest Client Master List (CML) of demat account / BO ID and signature of the BO/s duly verified by the DP Official will be also submitted along with the above mentioned DRF. The CML should not older than 2 months.

15.10.3.3 Respective RTA / Issuer shall verify the signature of investor/s as per specimen signatures recorded with the RTA / Issuer. Also, ensure that the signature/s of BO/s are verified by the respective DP on the CML.

15.10.3.4 RTA / Issuer will be required to obtain separate DRFs for free and lock-in securities and for each distinct lock-in reason or release date.

15.10.3.5 RTA / Issuer shall verify the physical securities and ISIN no. in the CDSL systems to confirm that the securities are admitted in CDSL.

15.10.3.6 RTA / Issuer should also check that the name of the holders mentioned in the physical securities are matching with the name of holder/s available in BO ID in CDSL systems.

15.10.3.7 The details i.e. folio no., certificate no., distinctive no. (DN) etc. of investor service request and physical certificates (if attached) should be also verified in RTA records.

15.10.3.8 In case of company name change for the dematerialisation request received from investor/s, necessary verification should be carried out by the RTA / Issuer as per their records or can check for the name change of the companies available on the

[85] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2026/29 dated February 01, 2026

[86] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2026/73 dated March 10, 2026

CDSL website or MCA portal. Accordingly, appropriate endorsement shall be made on the DRF.

15.10.3.9 RTA / Issuer should deface and mutilate the physical certificates as "Securities issued in dematerialized form" and retain the original DRF for records.

15.10.3.10 Upon satisfactory verification, the RTA / Issuer can setup the demat request through the Demat / Destat Module, by selecting the Demat / Destat option and option of free securities/ lock-in securities, as applicable. For lock-in securities, lock-in reason and release date must be specified as per the options available in the CDSL systems.

15.10.3.11 Enter the BO ID, ISIN and click on search option and select the name of the company, then enter the number of certificates and the quantity of securities to be dematerialized.

15.10.3.12 Check the folio no., certificate no., name and DN ranges as present in the static database.

15.10.3.13 Upon setup of the demat request in CDSL systems, Demat Request Number (DRN) will be generated, the same is required to be mentioned by the RTAs / Issuers on the DRF.

15.10.3.14 Once the DRN is generated in the CDSL system, an SMS link will be sent to the registered mobile number and email ID available in the BO ID for verification from first / sole holder in the demat account., The SMS link will be valid for 48 hours. i.e. for 2 business days.

15.10.3.15 First holder has to click on the SMS link provided and access the OTP generation page by entering the BO ID along with first holder PAN as a login authentication.

15.10.3.16 Once the investor has logged in successfully the screen will display the details such as the Demat Request Number (DRN), BO ID, ISIN, Name of the company and the Quantity.

15.10.3.17 After verifying the DRN details, the investor should proceed to generate the OTP. The system generated OTP will be sent to the registered mobile number and email address of the first holder. For completion of the dematerialisation process, the OTP must be entered into the system and authenticated by the investor Post OTP confirmation, the RTA / Issuer shall proceed with verification and confirmation of demat requests in the CDSL systems as per the existing process. System generated acknowledgement confirming credit of securities in demat account, needs to be sent to BO and concerned DP.

15.10.3.18 If OTP is not confirmed by demat account holder within 21 calendar days[87], such demat requests shall stand has cancelled in the system and the demat request is required to be again re-initiated in CDSL systems by RTA / Issuer.

15.10.4 In cases of Transposition-cum-Dematerialisation, RTA/ Issuer shall ensure that BOs submit the DRF along with the Transposition Request Form (TPRF) and in case of Transmission-cum-Dematerialisation (in case of death of joint holder), the DRF shall be accompanied with the requisite documents, including the death certificate and physical certificates.

15.10.5 RTA/ Issuer shall process the request and credit securities in dematerialized form to the BO's demat account within 30 days from receipt of complete request after removal of objections, if any, and shall intimate to the securities holder / claimant upon successful dematerialisation. In case the dematerialization request is not processed within the timelines, the reason for delay is required to be captured by the RTA.

15.10.6 File format related changes:[87]

15.10.6.1 Changes in RT57 - Single Download Report (refer Attached Annexures C1 and C6)

15.10.6.1.1 <u>Introduction of new Transaction Status:</u>

Demat
612 - Pending for OTP Authentication
613 - OTP Authenticated Successfully
614 - OTP Not Entered / Rejected By Investor

15.10.6.1.2 Introduction of new Transaction Code:
Demat
9991- Demat Setup by RTA (Pending OTP Authentication) (612)
9992 - Demat OTP verification successful (613)
9993 - OTP Not Entered / Rejected By Investor (614)

15.10.6.1.3 Introduction of "Reason for Delay" field in place of "Filler 3" for both Demat and Destat.

15.10.6.2 Changes in RT21 Dematerialization Requests Received By RTA and RT83 - Online RT21

15.10.6.2.1 Introduction of new value in Demat Request Status code:
O - Pending for OTP Authentication
B - OTP Authenticated
Z - Closed and Rejected

15.10.7 RTAs / Issuers are advised to note that the functionality of online setup the dematerialisation request through online / single entry mode in the CDSL systems is only for the demat module for the listed securities and not for destat module.[87]

15.10.8 Necessary amendments to the Operating Instructions, shall be communicated separately. The above system changes in CDSL systems are scheduled to be released on live on End of Day of April 02, 2026.

15.10.9 Any LOC issued before releasing the CDSL systems, may be submitted by the investors to DP for dematerialisation within the specified timeline i.e. 120 days from the date of issuance of LOC.

15.10.10 Issuers/ RTAs are advised to take note of the above changes and ensure that necessary changes are incorporated in their back office as per the file format before April 02, 2026.

15.11 Introduction of new report to RTA – Form 121 (Erstwhile Form 15G and 15H) common filing through Depositories[88]

15.11.1 RTAs are advised to note the following important update regarding the introduction of a new report named Form 121, to be provided by Depositories.

15.11.2 The Ministry of Finance and the Central Board of Direct Taxes (CBDT) have introduced a progressive compliance easing measure through the Finance Bill, 2026. This measure enables assesses to submit declarations for no deduction of tax at source (TDS) directly to recognised Depositories. Under this proposal, Depositories will be authorised to accept such declarations from investors.

15.11.3 In accordance with directives issued by Securities Exchange Board of India (SEBI), both Depositories CDSL and NSDL, in coordination with RTAs, have developed an operational

[87] Reference: CDSL communiqué no. CDSL/OPS/RTA/POLCY/2026/77 dated March 12, 2026
[88] Reference: CDSL communiqué no. CDSL/OPS/RTA/GENRL/2026/86 dated March 23, 2026

framework for filing Form 121 (erstwhile form 15G and form 15H), directly with the Depositories for greater investor convenience.

15.11.4 Depositories shall provide system generated data pertaining to Form 121 submissions to the respective issuer companies through their Registrar and Transfer Agents (RTAs), enabling timely and accurate TDS processing.

15.11.5 Please note that the aforesaid mechanism applies only to securities held in Demat form. For securities held in physical form, issuer companies/RTAs shall continue to accept and process exemption forms as per the existing procedures.

15.11.6 Key Process Points for RTAs-

15.11.6.1 Depositories shall provide a dedicated report/export to disseminate information on Form 121 submissions received from investors/shareholders.

15.11.6.2 The new Form 121 report will be generated as a separate report along with the benpos report in respect of any corporate action set up (Cash and non-cash CA both), in line with the existing Corporate Action (CA) process, under which the benpos is currently provided to RTAs.

15.11.6.3 RTAs are advised that, irrespective of whether the record date falls on a Friday or month-end, the Corporate Action (CA) set-up is still required to ensure Form 121 report is generated.

15.11.7 RTAs/Issuers are advised to take note of the above and prepare for the operational changes.

LIST OF RESCINDED COMMUNIQUES

Sr. No.	Communiqué Date	Communiqué No.	Communiqué description
1)	August 29, 2013	CDSL/OPS/RTA/POLCY/857	SEBI circular general guidelines for dealing with conflicts of interest of intermediaries recognized stock exchanges recognized clearing corporation's depositories and their associated persons in securities market
2)	December 17, 2015	CDSL/OPS/RTA/POLCY/1138	SEBI circular streamlining the process of public issue
3)	December 22, 2016	CDSL/OPS/RTA/POLCY/1242	SEBI circular system driven disclosures in securities market
4)	April 02, 2018	CDSL/OPS/RTA/POLCY/2018/36	SEBI circular investor grievance redress mechanism new policy measures
5)	April 23, 2018	CDSL/OPS/RTA/POLCY/2018/48	SEBI circular strengthening the guidelines and raising industry standards
6)	July 13, 2018	CDSL/OPS/RTA/POLCY/2018/87	SEBI circular investment by foreign FPI through primary market issuances
7)	July 17, 2018	CDSL/OPS/RTA/POLCY/2018/90	SEBI circular strengthening the guidelines and raising industry standards
8)	July 01, 2019	CDSL/OPS/RTA/POLCY/2019/74	Streamlining the process of public issue of equity shares and convertibles
9)	August 05, 2019	CDSL/OPS/RTA/POLCY/2019/86	SEBI circular - streamlining issuance of scores authentication for SEBI registered intermediaries
10)	October 23, 2019	CDSL/OPS/RTA/POLCY/2019/117	Cyber security cyber resilience framework for qualified registrars
11)	April 07, 2020	CDSL/OPS/RTA/POLCY/2020/49	Continuation of phase ii of unified payments interface
12)	March 30, 2021	CDSL/OPS/RTA/POLCY/2021/35	Prior approval for change in control
13)	April 10, 2021	CDSL/OPS/RTA/POLCY/2021/41	Transfer of business by SEBI registered intermediaries
14)	August 31, 2021	CDSL/OPS/RTA/POLCY/2021/109	Tendering of shares in open offers buy back offers
15)	August 31, 2021	CDSL/OPS/RTA/POLCY/2021/107	Operational circular for issue and listing
16)	November 24, 2021	CDSL/OPS/RTA/POLCY/2021/158	Framework for regulatory sandbox
17)	January 28, 2022	CDSL/OPS/RTA/POLCY/2022/17	Issuance of securities in dematerialized form
18)	March 02, 2022	CDSL/OPS/RTA/POLCY/2022/43	Approach to securities market data access and terms of usage
19)	April 22, 2022	CDSL/OPS/RTA/POLCY/2022/92	Streamlining the process of public issues and redressal of investor grievances

Sr. No.	Communiqué Date	Communiqué No.	Communiqué description
20)	May 05, 2022	CDSL/OPS/RTA/ POLCY/2022/98	Reduction of timelines for listing of units of INVIT
21)	May 05, 2022	CDSL/OPS/RTA/ POLCY/2022/99	Reduction of timelines for listing of units of REIT
22)	May 19, 2022	CDSL/OPS/RTA/POLCY/2022/105	Simplification of procedure for transmission of securities
23)	May 26, 2022	CDSL/OPS/RTA/ POLCY/2022/107	Simplification of procedure and standardization of formats
24)	May 31, 2022	CDSL/OPS/RTA/ POLCY/2022/111	Modification in cyber security and cyber resilience framework
25)	June 01, 2022	CDSL/OPS/RTA/ POLCY/2022/112	Standard operating procedures for dispute resolution
26)	June 27, 2022	CDSL/OPS/RTA/POLCY/2022/123	Sebi-introduction of UPI mechanism for infrastructure investment trusts
27)	July 07, 2022	CDSL/OPS/RTA/POLCY/2022/132	Sebi-modification in cyber security and cyber resilience framework
28)	July 21, 2022	CDSL/OPS/RTA/POLCY/2022/137	Entities allowed to use e-KYC aadhaar authentication
29)	December 06, 2022	CDSL/OPS/RTA/POLCY/2022/204	SEBI CIR - procedure for seeking prior approval for change in control
30)	March 14, 2023	CDSL/OPS/RTA/ POLCY/2023/55	SEBI CIR- clarification with respect to qualified RTAs
31)	March 20, 2023	CDSL/OPS/RTA/ POLCY/2023/59	SEBI CIR- for processing investors service requests by RTAs
32)	June 1, 2023	CDSL/OPS/RTA/ POLCY/2023/98	SEBI CIR- model TPA between the issuer company
33)	June 12, 2023	CDSL/OPS/RTA/POLCY/2023/106	SEBI CIR - online processing of investor service requests and complaints by RTAs
34)	September 21, 2023	CDSL/OPS/RTA/ POLCY/2023/203	Redressal of investor grievances through the SEBI complaint redressal(scores) platform
35)	September 26, 2023	CDSL/OPS/RTA/POLCY/2023/207	Extension of timelines for nomination in eligible demat accounts
36)	October 25, 2023	CDSL/OPS/RTA/ POLCY/2023/230	SEBI CIR- Guidelines for BCP and dr of qualified RTAs
37)	April 04, 2024	CDSL/AUDIT/RTA/POLCY/2024/52	Format for report on internal audit of registrar and transfer agent
38)	October 4, 2024	CDSL/AUDIT/RTA/POLCY/2024/173	Format for report on internal audit of registrar and transfer agent
39)	November 30, 2021	CDSL/OPS/RTA/ POLCY/2021/163	Investor Charter for Registrars to an Issue and Share Transfer Agents (RTAs)
40)	April 08, 2025	CDSL/AUDIT/RTA/POLCY/2025/96	Format for report on internal audit of registrar and transfer agent
41)	July 06, 2020	CDSL/AUDIT/RTA/POLCY/2020/78	Submission of Compliance Certificate by RTAs
42)	April 30, 2025	CDSL/RCD/RTA/GENRL/2025/117	Master Circular for Registrar & Share Transfer Agent (RTAs)

LIST OF COMMUNIQUES

S. No.	Communiqué No.	Date
1	CDSL/OPS/RTA/POLCY/2018/81	July 06, 2018
2	CDSL/OPS/RTA/POLCY/2018/119	September 12, 2018
3	CDSL/OPS/RTA/POLCY/2018/144	November 14, 2018
4	CDSL/OPS/RTA/144	May 14, 2004
5	CDS/OPS/RTA/1	May 25, 1999
6	CDSL/BDO/RTA/51	December 13, 2002
7	CDS/OPS/RTA/16	December 1, 2000
8	CDSL/OPS/RTA/66	March 3, 2003
9	CDSL/OPS/RTA/POLCY/2019/133	November 18, 2019
10	CDSL/OPS/RTA/POLCY/2022/17	January 28, 2022
11	CDSL/NP/RTA/POLCY/1195	June 15, 2016
12	CDSL/OPS/RTA/POLCY/2023/161	August 8, 2023
13	CDSL/OPS/RTA/POLCY/2018/139	November 05, 2018
14	CDSL/OPS/RTA/POLCY/2019/82	July 29, 2019
15	CDSL/OPS/RTA/POLCY/2021/67	June 04, 2021
16	CDSL/OPS/RTA/POLCY/2021/33	March 22, 2021
17	CDSL/OPS/RTA/POLCY/2022/110	May 31, 2022
18	CDSL/OPS/RTA/POLCY/2022/77	April 06, 2022
19	CDSL/OPS/RTA/508	December 08, 2009
20	CDSL/OPS/RTA/577	July 26, 2010
21	CDSL/OPS/RTA/631	January 07, 2011
22	CDSL/OPS/RTA/588	August 18, 2010
23	CDSL/OPS/RTA/SISO/2020/124	October 19, 2020
24	CDSL/OPS/RTA/POLCY/2022/174	October 3, 2022
25	CDSL/OPS/RTA/622	December 07, 2010
26	CDSL/OPS/RTA/POLCY/2021/132	October 06, 2021
27	CDSL/OPS/RTA/POLCY/2021/92	July 28, 2021
28	CDSL/OPS/RTA/POLCY/2024/191	October 23, 2024
29	CDSL/OPS/RTA/POLCY/2023/63	March 31, 2023
30	CDSL/OPS/RTA/POLCY/2023/208	September 28, 2023
31	CDSL/OPS/RTA/POLCY/2023/239	November 09, 2023
32	CDSL/OPS/RTA/SYSTM/2018/35	March 31, 2018
33	CDSL/OPS/RTA/SYSTM/2018/41	April 06, 2018
34	CDSL/BDO/RTA/48	November 8, 2002
35	CDSL/OPS/RTA/CAIPO/2021/131	October 06, 2021
36	CDSL/BDO/RTA/58	January 23, 2003
37	CDSL/OPS/RTA/POLCY/2023/135	July 20, 2023
38	CDSL/OPS/RTA/POLICY/779	September 21, 2012
39	CDSL/OPS/RTA/POLCY/1077	June 08, 2015
40	CDSL/OPS/RTA/POLCY/2019/87	August 08, 2019
41	CDSL/OPS/RTA/CAIPO/2021/130	October 06, 2021

S. No.	Communiqué No.	Date
42	CDSL/OPS/RTA/POLCY/1232	October 24, 2016
43	CDSL/OPS/RTA/POLCY/2017/66	October 31, 2017
44	CDSL/OPS/RTA/POLCY/2017/68	November 16, 2017
45	CDSL/OPS/RTA/POLCY/2024/241	December 24, 2024
46	CDSL/OPS/RTA/POLCY/1131	December 04, 2015
47	CDSL/OPS/RTA/SYSTM/1136	December 15, 2015
48	CDSL/OPS/RTA/SYSTM/2017/27	May 05, 2017
49	CDSL/OPS/RTA/POLCY/2020/112	September 30, 2020
50	CDSL/OPS/RTA/POLCY/2022/214	December 29, 2022
51	CDSL/OPS/RTA/POLCY/2020/119	October 13, 2020
52	CDSL/OPS/RTA/POLCY/2022/42	February 25, 2022
53	CDSL/OPS/RTA/POLCY/2022/100	May 09, 2022
54	CDSL/OPS/RTA/POLCY/2023/106	June 12, 2023
55	CDSL/OPS/RTA/POLCY/2023/59	March 20, 2023
56	CDSL/OPS/RTA/POLCY/2023/249	November 20, 2023
57	CDSL/IG/RTA/POLCY/2023/196	September 13, 2023
58	CDSL/IG/RTA/GENRL/2024/54	April 05, 2024
59	CDSL/IG/RTA/GENRL/2024/175	October 07, 2024
60	CDSL/AUDIT/RTA/POLCY/2017/75	December 27, 2017
61	CDSL/OPS/RTA/POLCY/2024/133	August 21, 2024
62	CDSL/OPS/RTA/POLCY/2025/3	January 01, 2025
63	CDSL/OPS/RTA/POLCY/2019/143	December 24, 2019
64	CDSL/OPS/RTA/POLCY/2020/48	March 30, 2020
65	CDSL/OPS/RTA/POLCY/2020/2	January 03, 2020
66	CDSL/OPS/RTA/CAIPO/2025/113	April 24, 2025
67	CDSL/OPS/DP/POLCY/2025/114	April 25, 2025
68	CDSL/OPS/RTA/POLCY/2025/121	May 06, 2025
69	CDSL/OPS/RTA/POLCY/2025/128	May 09, 2025
70	CDSL/OPS/RTA/POLCY/2025/134	May 15, 2025
71	CDSL/OPS/RTA/POLCY/2025/174	June 27, 2025
72	CDSL/OPS/RTA/POLCY/2025/183	July 03, 2025
73	CDSL/OPS/RTA/POLCY/2025/208	July 30, 2025
74	CDSL/OPS/RTA/POLCY/2025/233	September 01, 2025
75	CDSL/OPS/RTA/POLCY/2025/251	September 22, 2025
76	CDSL/AUDIT/RTA/POLCY/2025/265	October 09, 2025
77	CDSL/OPS/RTA/CAIPO/2025/266	October 10, 2025
78	CDSL/OPS/RTA/GENRL/2025/277	October 28, 2025
79	CDSL/OPS/RTA/GENRL/2025/284	November 14, 2025
80	CDSL/OPS/RTA/POLCY/2025/288	November 24, 2025
81	CDSL/ A,I&C /RTA/POLCY/2025/292	November 28, 2025
82	CDSL/OPS/RTA/POLCY/2025/295	December 01, 2025
83	CDSL/OPS/RTA/POLCY/2025/324	December 26, 2025

S. No.	Communiqué No.	Date
84	CDSL/OPS/RTA/POLCY/2026/29	February 1, 2026
85	CDSL/OPS/RTA/POLCY/2026/36	February 9, 2026
86	CDSL/OPS/RTA/POLCY/2026/73	March 10, 2026
87	CDSL/OPS/RTA/POLCY/2026/77	March 12, 2026
88	CDSL/OPS/RTA/GENRL/2026/86	March 23, 2026