CDSL/OPS/RTA/577 **July 26, 2010**

DESTATEMENTIZATION – PROCEDURE FOR THE CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT [SoA] INTO ELECTRONIC FORM

Issuers/RTAs are advised to refer to communiqué no. **CDSL/OPS/RTA/543** dated March 10, 2010 regarding the conversion of Statements of Accounts [SoA] and Physical Certificates of Mutual Fund(s) into electronic (demat) form.

With regard to the conversion of MF units represented by SoAs into electronic form, Issuers/RTAs are advised to note the following:-

1. BOs can now approach their DP for conversion of MF units represented by SoA into electronic form.
2. The DP shall hand over a Mutual Fund Destatementization Request Form (MF-DRF) to the BO [see **Annexure-A**].
3. The BO shall fill up the relevant details in the MF-DRF. The BO shall submit separate MF-DRF for each combination of names and for each RTA.
4. The BO shall also surrender the SoA along with the duly filled MF-DRF to the DP.
5. The BO submitting the MF-DRF shall declare to the DP that the MF Units which are sought for Destatementization are continued to be held by the BO and have not been already converted into electronic form or no physical certificates have been issued against the said units.
6. Separate MF-DRF should be filled up for each lock-in reason / expiry date combination, ISIN-wise.
7. The DP shall ensure the following -
    i) MF units contained in the SoA are admitted with CDSL and are eligible for conversion into electronic form.
    ii) The name and the pattern of holding of the BO's demat account matches with the name and the pattern of holdings as mentioned in the SoA.
    iii) Separate MF-DRFs are filled up for each RTA.
    iv) MF-DRF should be completely filled and signed by all the accountholders.
    v) The number of pages of SoA mentioned in the MF-DRF is verified with the SoA before accepting the MF-DRF.
8. If the MF-DRF is complete in all respects, then the DP should:
    i) give an acknowledgement receipt to the BO;

ii) ensure that the date and time of receiving the MF-DRF is present on the DP's copy and on the acknowledgement given to the BO;

iii) The noting on the MF-DRF and the acknowledgement receipt should be signed by the authorised DP official.

9. The DP shall capture the details in the CDSL system, using the MF-DRF & SoA and shall generate the Destatementization Request Number (DRN). The DP shall write down the DRN on the MF-DRF.
10. The system-generated acknowledgement of the conversion request should be given to the BO after the authorised DP official has signed and stamped the same.
11. The MF-DRF shall be authorised by the DP by affixing his seal & signature.
12. The original MF-DRF and the SoA shall be sent to the Issuer/RTA along with a system-generated covering letter.
13. A copy of the MF-DRF is to be maintained by the DP for its own reference and records.
14. Defacing and mutilation of SoA is not required to be done.
15. The DP shall capture the despatch details on the CDSL system, such as the despatch reference number, despatch date, name of courier, etc. The DP must despatch the physical documents to the Issuer/RTA within 7 days from the date of receiving the same from the BO.
16. After receiving the physical documents, 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 and SoA shall be sent back to the DP under a Rejection Memo, specifying the reason for rejection [see **Annexure-B**].
17. **The Issuer/RTA should complete processing of the conversion request within 15 days of receiving the physical documents.**
18. If the conversion request is not processed by the Issuer/RTA within 21 days after it has been set up on the system, then the DP should follow up with the Issuer/RTA.
19. In case of rejection, the DP shall forward the rejection letter sent by the Issuer/RTA to the concerned BO within 7 days from receipt of the same.
20. Transposition-cum-Conversion (Destatementization): Not Allowed
21. Transmission-cum-Conversion (Destatementization): Not Allowed

Issuers/RTAs are advised to note that:

- Existing process of demat of MF Units through the Issuer/RTA will be allowed till August 31, 2010, after which such requests, if any, will be rejected by the Issuer/RTA.
- Related reports: RT21, RT26 and RT83.
- A separate communiqué will be issued with regard to Re-statementization.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk:** (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8625, 2272-8639, 2272-8663, 2272-1261 or 2272-2075. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Laxmikant S Joshi
Asst. Vice President – Operations

For conversion of existing Mutual Fund Units represented by Statement of Account into electronic (Destatementized) form

Depository Participant Name / Address

(To be filled up by the Depository Participant)

DRF No.		Date	D	D	M	M	Y	Y	Y	Y

(To be filled by the BO. Please fill all the details in **BLOCK LETTERS** in English. Fill up a separate DRF for different combination of Names and for different RTAs).

I/We request you to convert (Destatementize) the enclosed Mutual Fund Statement of Account [SoA] registered in my/our name into my/our demat account:

DP ID									Client ID								
Name of First Holder																	
Name of Second Holder																	
Name of Third Holder																	

- Total Number of pages contained in the Statement of Account: ________

Folio No.	ISIN	Mutual Fund Name & Units Description	Quantity		Lock-in Details		Destatementization Request No. / DRN (To be filled in by DP)
			In Figures (or) All	In Words (or) All	Reason	Expiry Date	

- Attach an annexure (duly signed by account holder(s)) in the above format if the space is not sufficient.
- If all holdings in the Statement of Account are to be destatementized, then "**ALL**" should be mentioned in the Quantity column.

Declaration by BO(s): I/We hereby declare that the abovementioned MF units are registered in my/our name(s) and are not already destatementized and no certificates issued against these MF units. I/We also hereby declare that the units requested by me/us for conversion into destatementized form are free from any lien or charge or encumberance and represent the bonafide units of the Issuer to the best of my/our knowledge and belief.

	First / Sole Holder	Second Holder	Third Holder
Name			
Signature with DP			
Signature with RTA			

Depository Participant Authorization (From DP to RTA)

We have received the above-mentioned Statement of Account [SoA] for conversion into Destatementized form. It is also certified that the holder(s) of the SoA have a beneficial account with us in the same name(s) and order of name(s) as mentioned above.

Depository Participant Seal and Signature

========================**(Please tear here)**==== ======================

Acknowledgement Receipt

We hereby acknowledge the receipt of the following MF units requested for conversion (Destatementization) by Mr./Mrs./Ms. ____ having BOID _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ with us.

Folio No.	ISIN	Mutual Fund Name & Units Description	Quantity		Lock-in Details		Destatementization Request No. / DRN (To be filled in by DP)
			In Figures (or) All	In Words (or) All	Reason	Expiry Date	

- Total Number of pages contained in the Statement of Account: ________

Depository Participant Seal and Signature

Rejection Code	Destatementization (Destat) Rejection Reason Codes
11	Stop transfer
12	SoA not received with MF-DRF
13	Destat request initiated under wrong MF ISIN
14	MF units not admitted
15	Separate MF-DRFs required for separate RTA
16	Mismatch in the electronic and physical details
17	Documents not received within 30 days
18	Transposition-cum-Destatementizaton not allowed
19	Transmission-cum-Destatementization not allowed
21	Signature mismatch
22	Signature of 1st/2nd/3rd holder not present
23	Quantity received and DRF quantity mismatch
30	Incorrect Holder(s) name / pattern
32	DRF sent to incorrect Registrar
34	Court injunction pending
36	Allotment/Call payment receipt not attached
38	Rejected due to ACA
42	Investor requested for rejection & account closure
46	DRF not signed / stamped by DP
99	Others