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**Pilot Study of Control Procedures for
the National Securities Depository Limited**

**Financial Institutions Reforms and
Expansion (FIRE) Project**

June 5, 1997

**Financial Institutions Reform and Expansion (FIRE) Project
US Agency for International Development (USAID/India)
Contract #386-0531-C-00-5010-00
Project #386-0531-3-30069**

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Price Waterhouse LLP



June 5, 1997

Mr. C.B. Bhave,
Managing Director,
National Securities Depository Limited,
Trade World, 4th floor,
Kamla Mill Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013

Dear Mr. Bhave,

Re: NSDL - STUDY OF CONTROL OBJECTIVES AND RELATED PROCEDURES

As per our work program on the above project, we present the report on the pilot study for your approval.

Details of the Work

For the pilot study we had chosen the following functions of the depository:

- De-materialisation of IPO
- De-materialisation of Physical Stock
- Re-materialisation.

We were to define control objectives and identify control procedures to meet those objectives.

Methodology

We commenced the study with interviewing personnel from the systems and business operations departments. In the process we interacted with your vendor M/s Tata Consultancy Services (TCS) and attended hands-on sessions in the Depository Participants' (DPs) and Share registrars' modules. We studied the functional specifications and business rules to understand the processes placed in operations and to identify related regulatory requirements. Control objectives for each function were defined and the necessary control procedures to meet the objectives were arrived at. Some of the control procedures are already placed in operation and some need to be implemented. We have had a detailed discussion



on the practicalities of the recommendations with Mr. Rajesh Doshi and the report has already been discussed in-depth with the concerned NSDL personnel.

What we need from NSDL

The purpose of the pilot study was to understand the IT related business processes and firm up the format of the report. We need a confirmation from you on the adequacy of the following aspects of the report:

- level of detail
- structure and content.

This confirmation will enable us to proceed further with the project.

The next step

On approval of the pilot report, we shall be addressing the remaining thirteen functions. Out of these, nine are IT related business functions and four are IT operations related. After readjustment of the schedule from the pilot study experience, the final draft is now expected to be ready by first week of September.

For the success of this project the participation and co-operation of your management and staff is essential. We would like to thank you and your colleagues at NSDL for the time, courtesy and co-operation being extended to us during the course of this project.

Please get in touch with us at the FIRE project for any clarification you may require.

Thanking you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'W. Dennis Grubb'.

W. DENNIS GRUBB
PRINCIPAL CONSULTANT CAPITAL MARKETS

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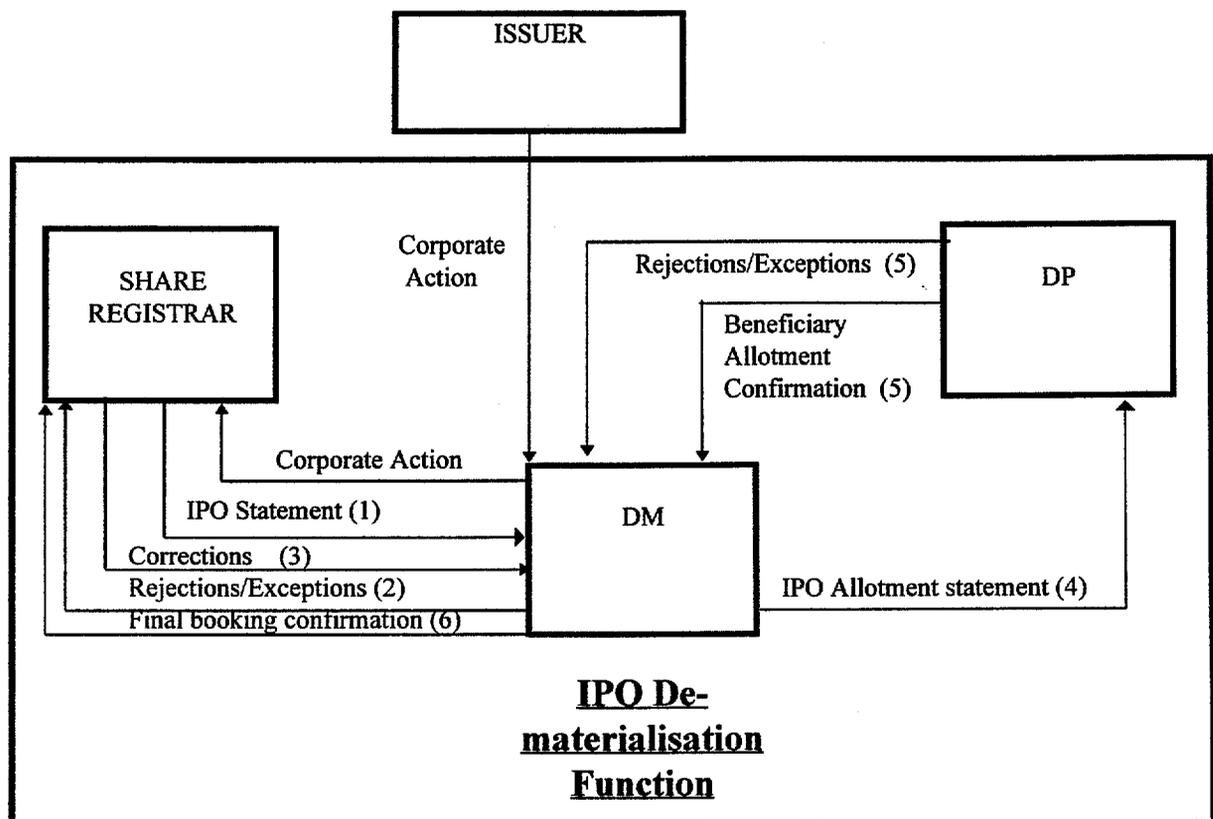
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De-materialisation for Initial Public Offer:

FUNCTION BACKGROUND

Investors subscribing to new securities exercise the option to specify whether the quantity of the allotted new issue to be delivered will be as physical certificates or dematerialised. In the new issue application form, the investors who request for dematerialization to the issuer, will specify their account number and the Depository Participant with whom they have an account.

FUNCTION DESCRIPTION



1. When the Initial Public Offering (IPO) allotments are completed by the share registrar, the Share Registrar sends an IPO statement to DM, listing the investors who have been allocated securities in dematerialized form.

DM (NSDL) will receive IPO statement over Computer to computer (C-C) link from the Share Registrar of a new security issue in MT 598-201* format.

* A free format SWIFT message

The statement will contain the:

- ISIN,
 - DP-Id,
 - Beneficiary account,
 - The quantity allocated per account
 - The locked-in release date (which will be null for securities that are not locked-in)
 - a valid date in the future for locked-in securities
 - The total quantity allotted per DP
 - The total quantity to be de-materialised into DM (NSDL) accounts.
2. The DM¹ (NSDL) system will validate this statement. If the validations are not successful, an exception report will be generated and sent to the Share Registrar over the Computer to Computer link (C-C link) in the MT 598-912 Format. Valid statements will be stored in the system. DM (NSDL) allows partial acceptance and rejection in this Statement.
3. DM (NSDL) also expects a Correction Statement from the Share Registrar for the messages rejected by it over C-C link in the MT 598-201 format. These Correction Statements will then be verified with the original message received earlier by DM (NSDL) and accepted accordingly.

The processing involved will be as follows:

- Validate the IPO Original and Corrected statement
 - Store the IPO statement if accepted
4. All the accepted statements will be booked on the specified Execution Date and an IPO Allotment Statement will be sent to all the DPs concerned in the MT 598-602 format over C-C link.
5. Each DP² will validate the allocation statement sent to it. If the statement is valid, the DP will perform necessary bookings based on the statement into the appropriate Client or House accounts. If any beneficiary account listed in the IPO allotment statement is invalid, the quantity allotted to that account will be put into a Suspense account. The DP will send a 'Beneficiary allotment confirmation' to DM (NSDL) over C-C link in the MT 598-108 format. This confirmation will indicate the quantity booked into House, Client and Suspense accounts. DM (NSDL) will perform the final bookings into DP House, Client and Suspense accounts, considering the details of confirmation.
6. The C-C link in the MT 598-403 format will be used by DM (NSDL) to communicate with the Share Registrar for the purpose of intimating the

¹ Depository Module at NSDL

² Depository Participant

completion of the bookings into the Client, House or Suspense accounts for the IPO statements.

- DM (NSDL) will communicate with the Share Registrar for the purpose of allotting or returning the positions booked into DM (NSDL) and DP Suspense accounts. Further processing on this will take place through suspense reversals.

Control Objectives

The control objectives related to Demat (IPO), which have been derived from studying the control flow charts (Appendix I - page 30), are given below:

1. Control structure policies and procedures provide reasonable assurance that the IPO Statement is based on a valid ISIN and a corporate action has been announced on it.
2. Control structure policies and procedures provide reasonable assurance that the IPO statement transmitted by SHR is confidential and authentic.
3. Control structure policies and procedures provide reasonable assurance that the IPO statement is valid, complete and accurate.
4. Control structure policies and procedures provide reasonable assurance that the IPO allotment statement sent to the DP is complete and accurate.
5. Control structure policies and procedures provide reasonable assurance that the Beneficiary allotment confirmations received from the DP are valid and as per the IPO allotment statement and necessary corrective actions are taken.
6. Control structure policies and procedures provide reasonable assurance that the updates to the beneficiary accounts are correct and take into account the pattern of holding.
7. Control structure policies and procedures provide reasonable assurance that the credit or debit transactions to suspense accounts are authorised and these activities are verified and monitored to be resolved within reasonable time.

Identification of Control Procedures linked to Control Objectives: _

- 1) Control structure policies and procedures provide reasonable assurance that the IPO Statement is based on a valid ISIN and a corporate action has been announced on it.**

Control Procedures
The corporate action information and validity of ISIN is downloaded to the SHR by the DM.
The SHR captures data from his back-office on the IPO allotment.
The SHR validates that the ISIN exists and is valid , and a valid corporate action is due for the ISIN.
On receipt of IPO statement from Share registrar the DM system checks whether ISIN is valid and a corporate action has been announced on it by comparing ISIN particulars already stored with it.

2) Control structure policies and procedures provide reasonable assurance that the IPO statement sent by share registrar is confidential and authentic.

Control Procedures
The transmitted IPO statement is encrypted using a secret key system under DES (Data Encryption Standards) thereby maintaining confidentiality.
In the future, with the rationalisation of cryptographic laws in the country and introduction of certifying authorities, the following method could be adopted. The message is encrypted with a randomly chosen DES key. The DES key is then encrypted with DM's public key and sent along with the message. The DES-encrypted message and the RSA-encrypted DES key together will form the RSA digital envelope. DM decrypts the DES key with his private key, then uses the DES key to decrypt the message itself.*
To establish authenticity a hash function is applied on the message to create a message digest. The message digest is then encrypted with the share registrar's RSA private key. This digital signature is sent to the DM along with the message. After receiving the encrypted message and signature the signature is decrypted by DM using SHR's public key. The same hash function is used to hash the message and the digest compared with that received.*
To maintain integrity of the public keys, a certifying authority has to be introduced who would certify the authenticity of the public keys.*

* control procedure not currently placed in operation

3) Control structure policies and procedures provide reasonable assurance that the IPO statement is valid, complete and accurate .

Control Procedures

IPO statement is verified by the DM system

- to check for valid ISIN and DP-id.
- all the original statements contain a unique Corporate Action number and Share Registrar Linked Reference number.*
- the correction statements contain the same linked reference number as the original.*

IPO statement is verified by the DP by checking

- whether the beneficiary listed exists with DP
- whether the investor account has a pattern of holding (manually) which matches that in the statement and is in valid status
- whether Allocation quantities are specified and are non-zero *
- whether lock-in release date and execution date are future dates *

4) Control structure policies and procedures provide reasonable assurance that the IPO allotment statement sent to the DP are complete and accurate.

Control Procedures

IPO allotment statement control totals are matched against the control totals of IPO statement sent by the registrar and then released to the DP.

The application verifies that all relevant fields are containing information.

5) Control structure policies and procedures provide reasonable assurance that the IPO allotment statement sent to the DP is complete and accurate.

Control Procedures
The sum of all beneficiary allotment quantities for a DP should be equal to the total quantity allocated for the DP
The sum of total quantities for a DP should be equal to the total quantity allotted to DM (NSDL) accounts
In case of allotment rejections arising out of validations, the suspense accounts at DM end are credited.
A revised IPO allotment statement is prepared and sent to DP. The rejections are sent to the registrar.
DP sends confirmation after tallying with the new allotment statement.
For investor accounts which are invalid or closed, suspense account is credited with the security amount.
Registrar sends a revised IPO statement to DM.
DP accounts and investor accounts are then updated as per new allotment statement.

6) Control structure policies and procedures provide reasonable assurance that the updates to the beneficiary accounts are correct and take into account the pattern of holding.

Control Procedures
DM checks that corrected Quantity should always be equal or less than the quantity rejected by DM (NSDL). *
DP checks at end of the day that updates to proper beneficiaries accounts have been made according to the allotment statement and the pattern of holding of the account credited matches with the IPO allotment statement by reviewing a day-end transactions report. (compensatory control) *
During EOD, DM matches the total of IPO allotment credit with the total of the beneficiary allotment confirmation.

7) Control structure policies and procedures provide reasonable assurance that the credit or debit transactions to suspense accounts are authorised and these activities are verified and monitored to be resolved within reasonable time.

Control Procedures
Access to transactions to suspense accounts is protected by the use of operator passwords, and access is restricted to these options to authorised users only by restricting rights on a need to do basis..
Whenever a debit or credit is made to a suspense account the transaction is verified by a higher authority and the transaction is ratified in the system only after proper authorisation is received in the form of a password.
Balances in suspense accounts are resolved within the next day on receiving correction statements from share registrar.
DM checks that correction Statements have the same Linked Reference number as of the Original Statement *
Any suspense reversal transaction is to be authorised by a person other than the initiator, and a report on suspense debits and credits for the day has to be checked, signed and filed.*
An exception report is generated by DP and sent to the DM. The DM in turn sends the report to the share registrar for corrective action at his end. *

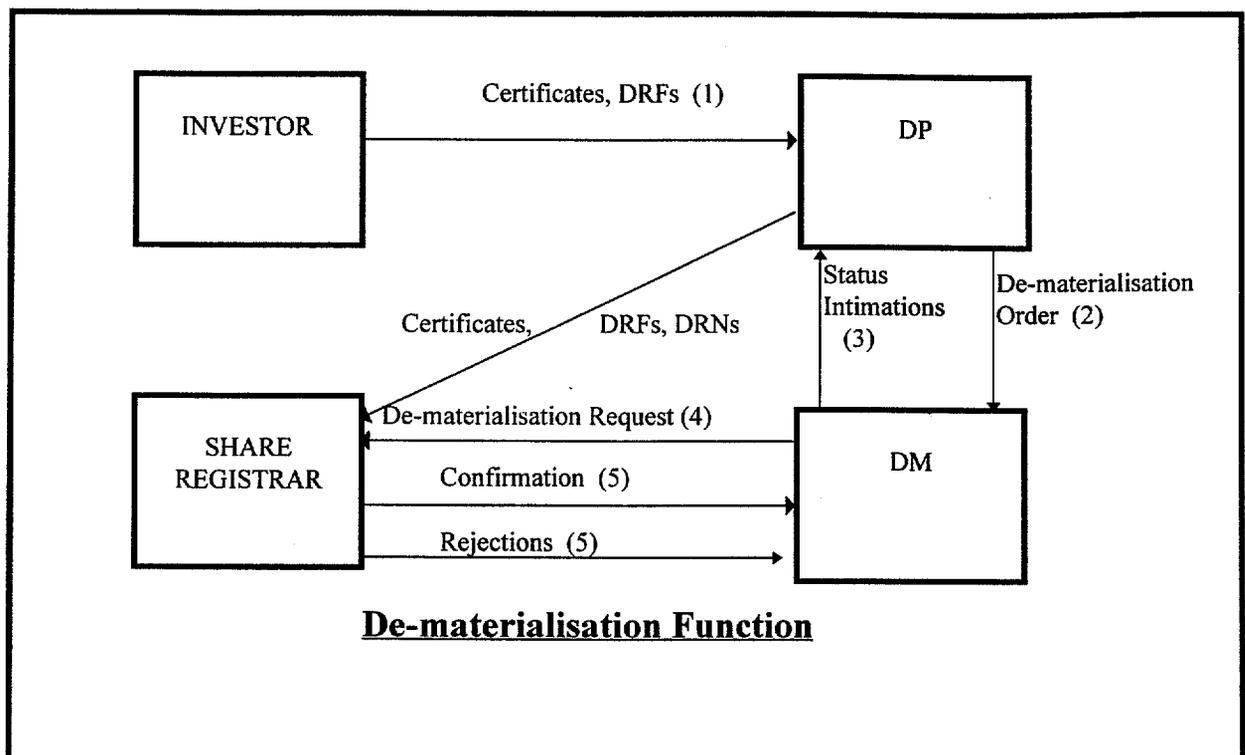
* Control Procedures not currently placed in operation

De-materialisation of Physical Stock:

FUNCTION BACKGROUND

This function enables investors to dematerialize their existing physical stock through the Depository Participants (DPs).

FUNCTION DESCRIPTION



1. The investor applies for a Demat by submitting a 'De-materialisation Request form' (DRF) duly filled up along with the physical stock to the participant with whom he holds an account.
2. DPs send Demat orders electronically to the DM .

DPs also send the DRF and the certificates to be de-materialised, to the Share Registrar specifying the reference number (DRN) given in the order.

3. DM (NSDL) receives De-materialisation (Demat) requests from the DPs over C-C link from DPs in MT 598-100 format. DM validates the orders and does the necessary bookings. All accepted and "Rejected" status messages are sent on-line to the respective DPs. Depending on the response from the Share Registrar, DM sends "Confirmed", "Partially Confirmed" or "Rejected" status intimation to the

DP on-line. This intimation contains the locked in date , the accepted and the rejected quantities.

4. DM (NSDL) also generates the Dematerialization confirmation request and sends it to the Share Registrar as a data format message at EOD³.
5. The Share Registrar validates the request and sends an acceptance or rejection of the request to DM. Partial confirmation of the order is also allowed. The share registrar sends the confirmed quantity and the rejected quantity as part of the confirmation message. It also contains the locked in date and the reason code in case of locked-in positions.

DM reverses the previous bookings for the rejected quantity while for the confirmed quantity final bookings will be made. These bookings may be the final bookings for a Demat order in case of full confirmation or the final partial confirmation, or intermediate bookings in case of a partial confirmation. An accepted or rejected intimation is sent to the share registrar for the confirmations received from it.

If DM rejects a Share Registrar intimation, an exception report is generated for the DM (NSDL) user for further manual action.

³ End of Day

Control Objectives

The control objectives related to Demat (Non-IPO), which have been derived from studying the control flow charts (Appendix II - page 32), are given below:

- 1) Control structure policies and procedures provide reasonable assurance that the De-materialisation request received by the DP is of a scrip listed in the demat list, and from an investor registered with the DP and the pattern of holding matches.
- 2) Control structure policies and procedures provide reasonable assurance that the De-materialisation confirmation request sent to the registrar is correct and complete.
- 3) Control structure policies and procedures provide reasonable assurance that the De-materialisation processing and updates in the accounts of the investors are complete, accurate and timely and take into account the pattern of holding.
- 4) Control structure policies and procedures provide reasonable assurance that rejected de-materialisation requests are isolated, analysed, reported and resolved in a timely manner.
- 5) Control structure policies and procedures provide reasonable assurance that the Status intimation sent to the DP is correct and complete.

Identification of Control Procedures linked to Control Objectives:-

- 1) **Control structure policies and procedures provide reasonable assurance that the De-materialisation request received by the DP is of a scrip listed in the demat list, and from an investor registered with the DP and the pattern of holding matches.**

Control Procedures
After entering the demat order in the system a DP person other than the initiator of the order verifies the authorisation and transfer deeds and certificates to ensure that <ul style="list-style-type: none">• The securities are defaced• The number of shares on the DRF matches with that in the certificate and the demat order• The certificate details are entered correctly
The DP application verifies that the ISIN is on the demat list.
The DP application verifies that the investor number exists in the DP database.
The DP personnel who verifies and releases is independent of the personnel capturing the data. Personnel verifies that the investor pattern of holding on the DRF matches with the pattern of holding in the account at the DP end. *
A person other than the initiator of the transaction verifies and releases the order to DM. *

2) Control structure policies and procedures provide reasonable assurance that the De-materialisation request sent to the registrar is correct and complete.

Control Procedures
Since the system automatically routes the demat order from the DP to the SHR the risk of alteration is controlled.
For the period that the message is kept on hold in the system, the operating system access control is used to deny access to personnel below system administrator.

- 3) Control structure policies and procedures provide reasonable assurance that the De-materialisation processing and updates in the accounts of the investors are complete, accurate and timely and take into account the pattern of holding.**

Control Procedures
Before sending the demat order, DP checks that the client account pattern of holding matches the certificates submitted for demat.
DP accounts and client accounts are automatically credited by the system by the <i>accepted</i> quantities only.
The DM checks that the total of accepted and rejected scrips tallies with the original demat order.

- 4) Control structure policies and procedures provide reasonable assurance that rejected de-materialisation requests are isolated, analysed, reported and resolved in a timely manner.**

Control Procedures
All rejections are intimated by the Registrar with reason, and a rejection report is generated(at EOD).
Rejection information is sent to the DP for follow-up.
Rejected certificates and transfer deeds are retained with the SHR.
The DP follows up all rejections / objections with investors.

5) Control structure policies and procedures provide reasonable assurance that the Status intimation sent to the DP is correct and complete.

Control Procedures
During EOD a check is instituted to verify that the previous day's balance of a DP (scripwise) plus the day's transactions equal the present balance in the account. *
A checksum algorithm checks for the integrity of the standing data so that there are no inaccuracies in the status information.*
During EOD it is checked that all status information contains relevant fields along with authorisation field for updating client account at DP end. *
The status information to DP is generated automatically out of the Demat confirmation from the share registrar.
No field in the status information can be accessed at the DM end.
The client account fields at DP are credited immediately after the relevant message has been sent by SR DM DP .

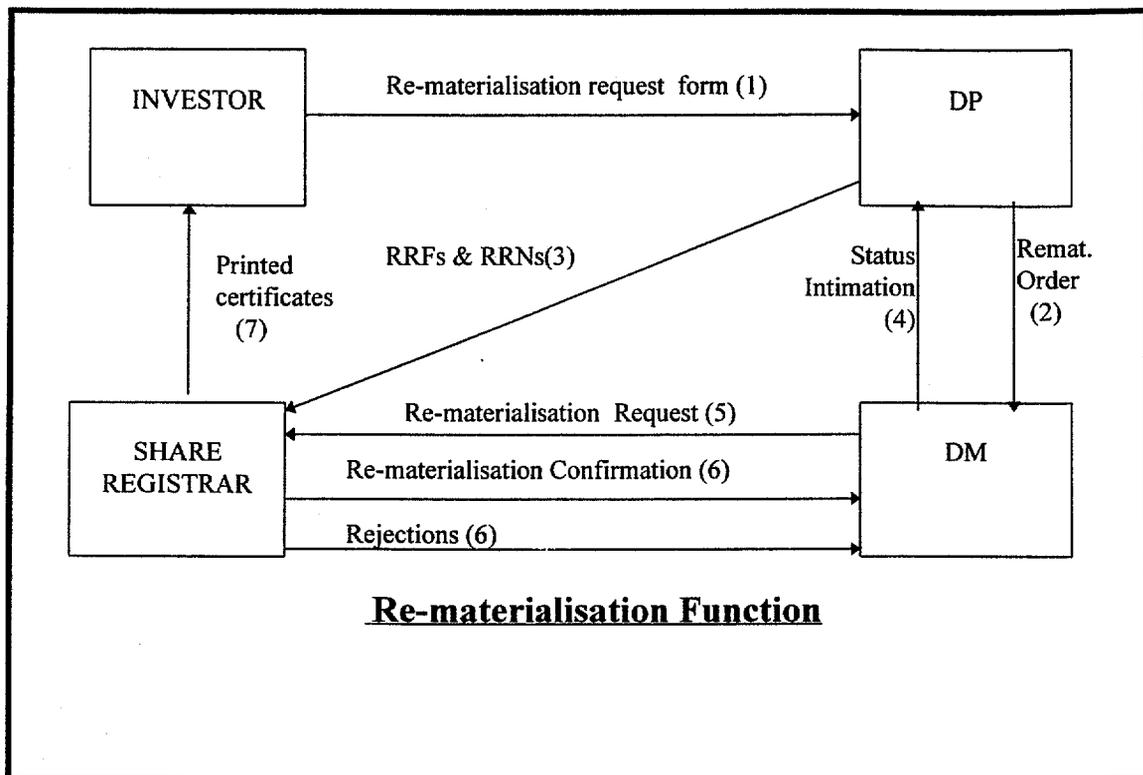
* Control Procedures not currently placed in operation

Re-materialisation :

FUNCTION BACKGROUND

This function enables investors will have the option to withdraw their dematerialised positions from the Depository and receive printed certificates from the Share Registrar.

FUNCTION DESCRIPTION



1. This process of Re-materialisation will be initiated by investors requesting their respective Depository Participants (DPs) to re-materialise their securities.
2. DPs will generate Re-materialisation request number (RRN) and send a Re-materialisation (Remat) order to DM.
3. DPs send the RRF and RRN to the Share registrar.
4. DM will receive Re-materialisation (Remat) orders over C-C link from DPs in MT 598-100 format. DM will accept and validate each order. If the request is valid, then appropriate bookings will be performed.

An online "Rejected" status message will be sent to the respective DP for rejected orders. All accepted status intimations will also be sent online. Depending on the response from the Share Registrar, DM will send "Confirmed", "Partially Confirmed" or "Rejected" status intimation to the DP on-line.

5. DM will also generate the Rematerialization Confirmation request to the Share Registrar with the order details, as an EOD report.
6. The Share Registrar will validate the Re-materialization Confirmation request and generate a response to DM indicating acceptance or rejection of the request.
7. In case of acceptance, new certificates will be printed and delivered to the beneficiary by the Share Registrar.

DM will perform the final bookings for the accepted quantity and for the rejected quantity. All accepted or rejected intimations will be sent to the share registrar for the confirmation received from it.

Control Objectives

The control objectives related to Re-materialisation, which have been derived from studying the control flow charts (Appendix III - page 34), are given below:

- 1) Control structure policies and procedures provide reasonable assurance that the Re-materialisation orders are valid i.e., on a valid ISIN and the quantity for remat actually exists as balance in a valid client account.
- 2) Control structure policies and procedures provide reasonable assurance that the Re-materialisation confirmation received from the registrar is correct and complete.
- 3) Control structure policies and procedures provide reasonable assurance that the Re-materialisation request sent to the registrar is correct and complete.
- 4) Control structure policies and procedures provide reasonable assurance that the rematted quantity of shares are not electronically traded or transacted otherwise .
- 5) Control structure policies and procedures provide reasonable assurance that the Re-materialisation processing and updates in the accounts of the investors are complete, accurate and timely and take into account the pattern of holding.
- 6) Control structure policies and procedures provide reasonable assurance that rejected re-materialisation requests are isolated, analysed, reported and resolved in a timely manner.
- 7) Control structure policies and procedures provide reasonable assurance that the status intimations sent to the DP are correct.

Identification of Control Procedures linked to Control Objectives:

- 1) **Control structure policies and procedures provide reasonable assurance that the Re-materialisation orders are valid i.e., on a valid ISIN and the quantity for remat actually exists as balance in a valid client account.**

Control Procedures
The DP verifies that the investor name and number exists and matches with the request form, including the pattern of holding (<i>manual check</i>).
The DP application verifies that the quantity for remat exists as balance in investor account.
A person other than the initiator of the transaction verifies and releases the order to DM.
The DM also verifies that the beneficiary position shows that the client-id has sufficient holding of the valid ISIN ordered for remat.

- 2) Control structure policies and procedures provide reasonable assurance that the Re-materialisation confirmation received from the registrar is correct and complete.**

Control Procedures
The re-materialisation request is derived systemically from the remat order sent by DP and routed to the SHR.

3) Control structure policies and procedures provide reasonable assurance that the Re-materialisation request sent to the registrar is correct and complete.

Control Procedures

The DPM-SHR module ensures that the remat confirmation is properly authorised by a personnel who is accountable for checking with the physical documents.

- 4) **Control structure policies and procedures provide reasonable assurance that the rematted quantity of shares are not electronically traded or transacted otherwise .**

Control Procedures

The quantity of re-materialised scrip as per ISIN no. is blocked in client's account at DP end and in DP's account at DM's end.

- 5) Control structure policies and procedures provide reasonable assurance that the Re-materialisation processing and updates in the accounts of the investors are complete, accurate and timely and take into account the pattern of holding.**

Control Procedures
When remat order is received, system automatically blocks the scrip quantity with unique ISIN and DP_id. After receiving confirmation from registrar, the DP's account is debited with blocked quantity for that particular ISIN.
DP system debits the client account when status information is received.
A beneficiary position update to be made on-line in case of remat at the DM end.

6) Control structure policies and procedures provide reasonable assurance that rejected re-materialisation requests are isolated, analysed, reported and resolved timely.

Control Procedures
All rejections are intimated by the Registrar with reason, and automatically reversed in the accounts with the generation of a rejection report (at EOD).
Rejection information is sent on-line to the DP and blockings reversed.
The DP follows up all rejections or objections with investors and share registrar.

7) Control structure policies and procedures provide reasonable assurance that the status intimations sent to the DP are correct.

Control Procedures
During EOD a check is instituted to verify that the previous day's balance of a DP (scripwise) added to the day's transactions equal the present balance in the account. *
A checksum algorithm checks for the integrity of the standing data so that there are no inaccuracies in the status information.*
During EOD it is checked that all status information contains relevant fields along with authorisation field for updating client account at DP end. *
The status information to DP is generated automatically out of the Remat confirmation received from the share registrar.
No field in the status information can be accessed at the DM end.
The client account fields at DP are debited immediately after the relevant message has been sent by SR → DM → DP .

* Control Procedures not currently placed in operation

APPENDIX I

De-materialisation of Initial Public Offer

Process Overview

Broadly the processing will be as follows:

DM END

- IPO and ISIN intimation from Issuer
- Download information to SHR
- Validate and Accept the IPO statement received from Share Registrar
- Accept correction statements from the Share Registrar
- Maintain valid IPO statements
- Do initial bookings for IPO
- Send IPO allotment statement to Depository Participants
- Accept IPO allocation confirmation from Depository Participants
- Maintain IPO allocation confirmations and do final bookings
- Send confirmation to the share registrar

SHARE REGISTRAR END

- Check whether ISIN is valid and a corporate action has been announced on it.
- Send IPO allotment statement to DM
- Accept rejection and maintain IPO statement
- Send corrections to DM

DP END

- Check whether client id is valid and pattern of holding matches with IPO statement.
- Send rejections to DM
- Send beneficiary allotment confirmation to DM
- Maintain client account/ house account
- Maintain suspense account

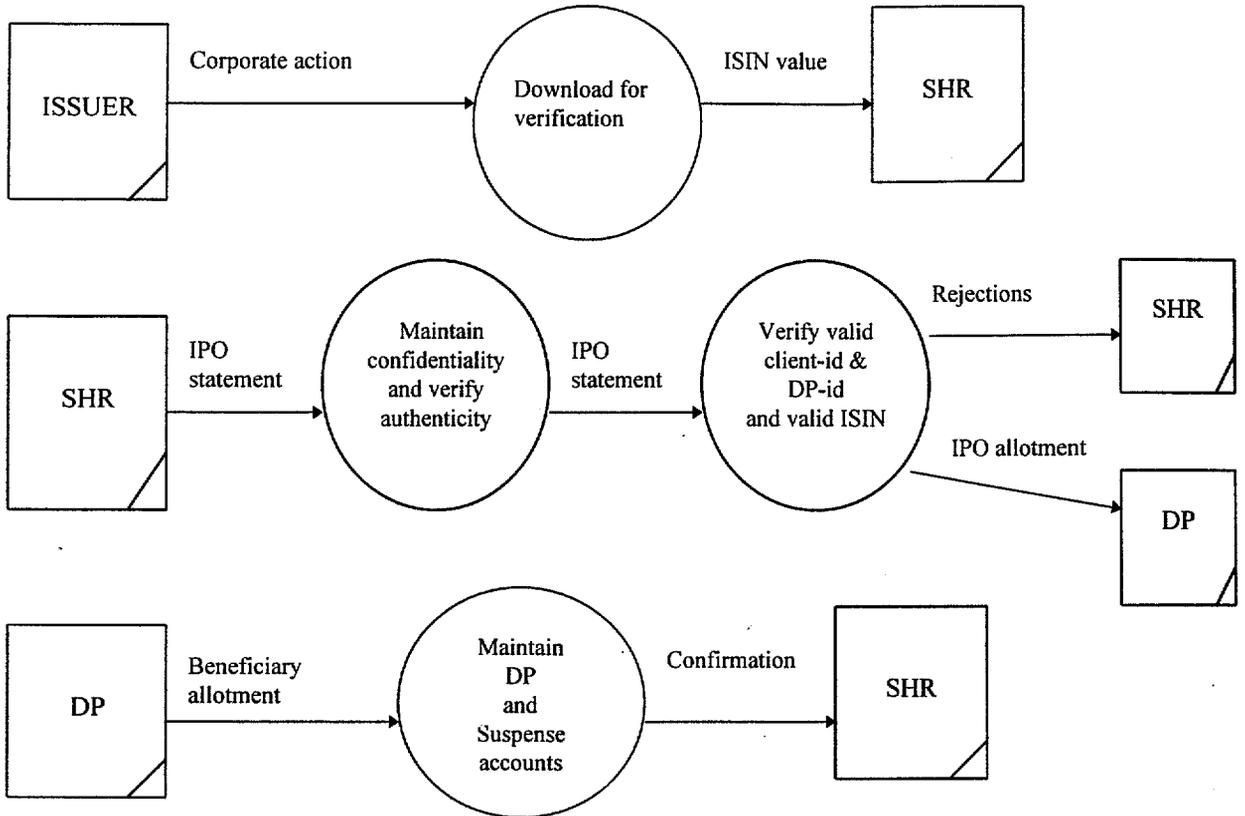
Assumptions

1. The contents of the authenticated IPO statement received from registrar are correct as far as NSDL is concerned.
2. All corrections sent by registrar are correct and suspense reversals done on the basis of those statements are authentic as far as NSDL is concerned.

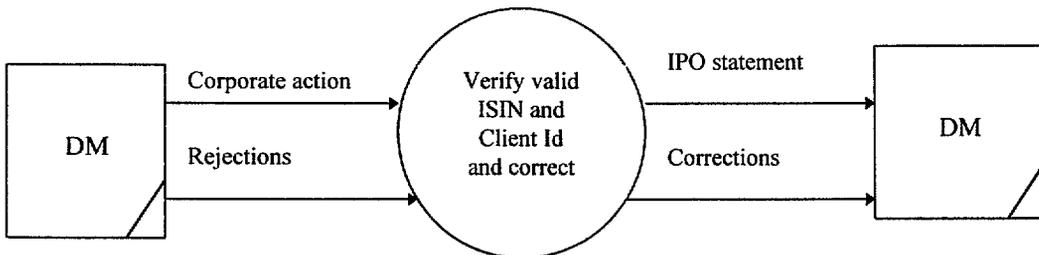
☐ - Entity ○ - Procedure

DEMAT - IPO
CONTROL FLOWCHART

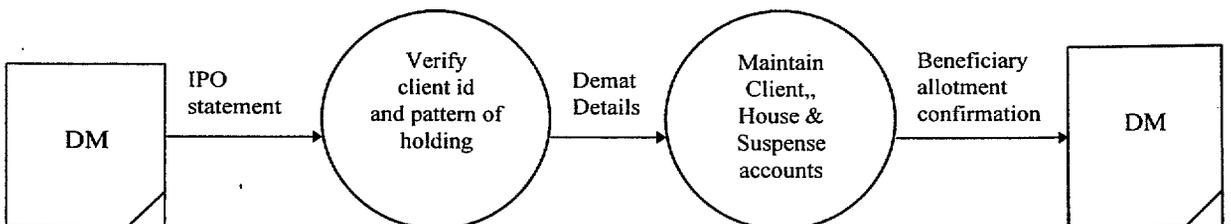
DM END



SHR END



DP END



APPENDIX II

De-materialisation of Physical Stock:

Process Overview

Broadly the processing will be as follows:

DP END

- Securities and transfer deeds/ authorisation to the DP
 - ◆ Verification of Completeness and accuracy of DRF
 - ◆ Verification of number of shares
 - ◆ Certificates details
 - ◆ Defacing of securities
 - ◆ Compare Pattern of holding
 - ◆ Verify that the scrip is in the demat list
- Despatch of certificates to share registrars
- Specification of reference number of the order to DM
- Maintain client account/ house account

DM END

- Validation by DM
- Initial booking
- Status intimation to DP (Acceptance/ Rejection)
- Generation of de-materialisation request to Share registrar
- Status intimation to DP regarding full/ partial acceptance/ rejection by Share registrar

SHARE REGISTRAR END

- Validation of demat confirmation request
- Generation of de-materialisation confirmation to DM

Assumptions

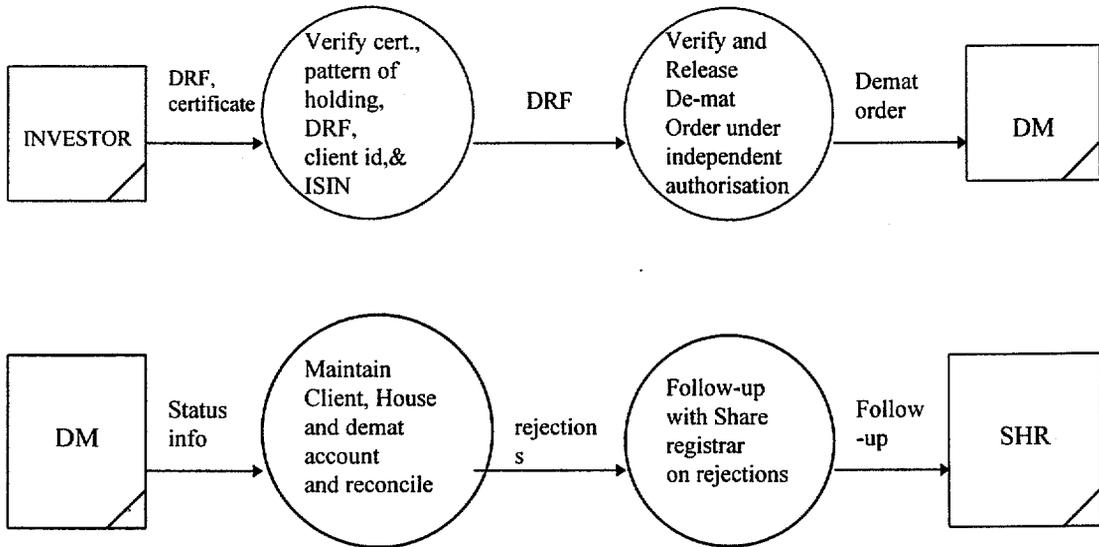
1. Investor is the holder of the scrip for de-mat.
2. Investor has valid account with the DP.

☐ - Entity ○ - Procedure

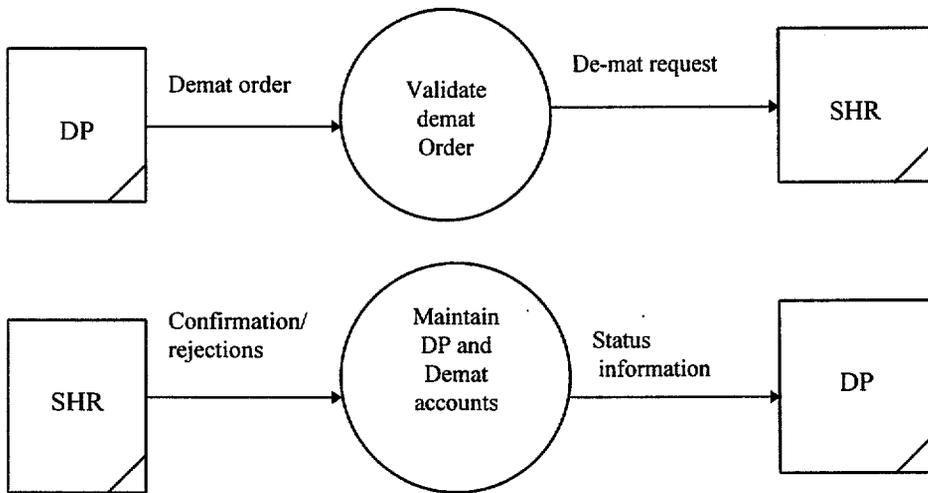
DEMAT - PHYSICAL STOCK

CONTROL FLOWCHART

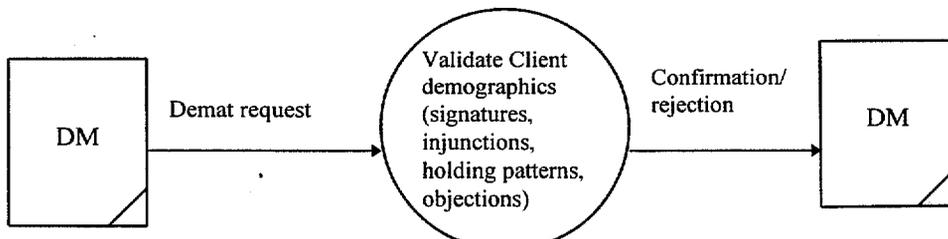
DP END



DM END



SHR END



APPENDIX III

Re-materialisation

Process Overview

Broadly the processing will be as follows:

DP END

- Check whether client account has sufficient balance of the ISIN proposed to be remat.
- Block client account with the remat quantity, prohibiting any transaction for that quantity.
- Send remat request forms to SHR
- Verify and release remat request order to DM.
- Accept status intimation.
- Maintain client account

DM END

Do initial re-materialisation bookings

Number of certificates is computed by the billing module. The formula used for computing the number of certificates is as follows: The Remat quantity is divided by the market lot and rounded to the next digit.

Send re-materialisation Confirmation request to Share Registrar

Accept re-materialisation Confirmation from Share Registrar

Maintain share registrar confirmations

Do final bookings

Send status intimation containing re-mat confirmation and rejection to DP.

SHARE REGISTRAR END

Validate authenticity of owner

Send Re-materialisation confirmation/ Rejection to DM

Print physical security and send to investor

Assumptions

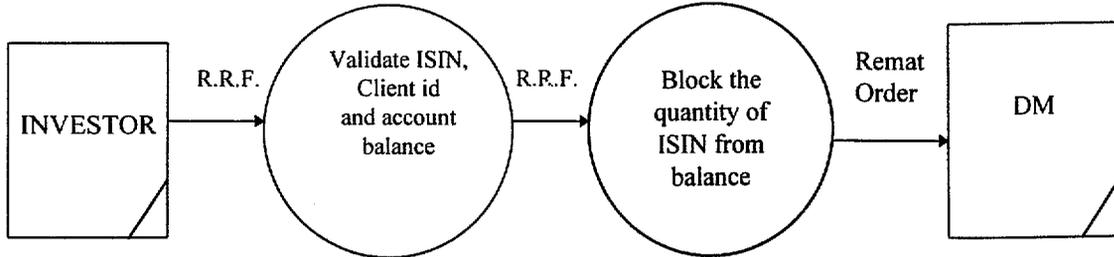
1. Investor has account with DP
2. The ISIN to be rematted has already been dematted.
3. If trading has taken place after the de-materialisation of the scrip, the share registrar probably would not have any signature record of the beneficial owner and also has no way of knowing the owner's profile, other than that supplied by NSDL.

☐ - Entity ○ - Procedure

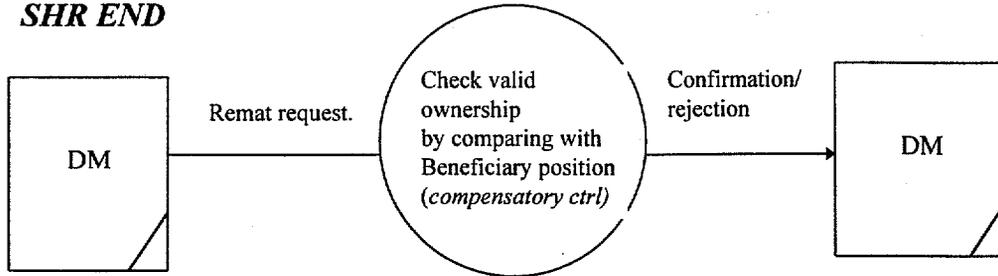
RE-MATERIALISATION

CONTROL FLOWCHART

DP END



SHR END



DM END

