

NATIONAL SECURITIES DEPOSITORY LIMITED

Participant Interface

Circular

Circular No. NSDL/POLICY/2009/0006

Date: January 15, 2009

Sub: Exemption from sending Quarterly Transactions Statements to Clients in respect of demat accounts with no transactions and no security balances.

NSDL has been receiving representations from Participants seeking exemption from sending Transaction Statements on quarterly basis to Clients holding demat accounts with no transactions and no security balances.

Participants are hereby informed that they may not send the quarterly Transaction Statements to such Clients subject to the following:

1. Client is informed in advance that it will not be receiving Transaction Statements for such accounts till there are any transactions or security holdings in the demat account.
2. KYC and PAN requirement in respect of all such depository accounts are complied.
3. No Annual Maintenance Charges are levied for such an account.
4. Client must have opted for the SMS alert facility as provided by NSDL.
5. Information which is required to be disseminated by Participants by way of a note in the Transaction Statements will be required to be communicated to such Clients separately.
6. The Internal Auditor of the Participant shall comment in its internal audit report on compliance of the aforesaid requirements.

Participants are advised to note that in case there is any transaction i.e. credit or subsequent debit in the Client's demat account, the Participant must send Transaction Statements to the Client at stipulated intervals in accordance with Bye Laws & Business Rules of NSDL.

As Participants are aware, furnishing of Transaction Statement is a requirement for those Clients who do not want to personally visit the Participant's office for various requests such as address change, Delivery Instruction Slips, etc. For the purpose of such requests, 'In-person' identification/presence will be mandatory for such clients in respect of whom the Participant opts not to send the quarterly Transaction Statements.

For and on behalf of

National Securities Depository Limited

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Samar Banwat
Vice President