



Circular No.: NSDL/POLICY/2011/0019

Date: March 4, 2011

***Sub: Credit of Mutual Fund Units of Equity Linked Saving Schemes (ELSS) under lock-in in Beneficial Owner accounts***

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2010/0137 dated December 24, 2010 regarding procedure to transact in Mutual Fund Schemes through the Stock Exchange infrastructure. This facility has been further enhanced to facilitate Clients to subscribe to Mutual Fund (MF) Units of ELSS through the Stock Exchange infrastructure. In view of this, Participants are requested to take note of following changes in the subscription process:

- (i) The MF units of ELSS credited in the Beneficial Owner account of Clients by their Clearing Members (CM) would be locked-in for a period of three years from the date of allotment. The allotment date would be the 'Settlement Start Date', as informed by the Stock Exchange. Participants can ascertain the 'Settlement Start Date' from the 'CC Calendar' provided in Local DPM System.
- (ii) To identify the ISINs that are pertaining to MF units of ELSS as informed by the Asset Management Company (AMC), ISIN details would be made available at NSDL's intranet site (<https://sqlassist>). The ISIN list would be updated on a daily basis by 8.30 pm.
- (iii) Upon receipt of MF Units of ELSS into the CM Pool Account on Pay-out, these ELSS Units can be transferred only to the Beneficial Owner account. CM Pool to CM Pool transfers, Inter Settlement transfers and Inter Depository transfers will not be permitted from the CM Pool account till the lock-in release date. In view of this, Participants may inform their Clients viz;
  - a) CMs to take adequate precautions such as mention correct Client ID in the Delivery Instruction Slips (DIS) / capture correct Client details in case instructions are electronically submitted, at the time of transferring MF units of ELSS from their CM Pool Accounts to Beneficial Owner accounts.
  - b) AMCs to take adequate precautions to mention correct settlement number and market type in the DIS / capture correct settlement number in case instructions



are electronically submitted at the time of transferring MF units of ELSS from their Beneficial Owner accounts to their AMC CM Pool Accounts.

(iv) File formats in respect of the back office batch interface with the Local DPM System has undergone minor change to include Locked-in details in respect of transfer of MF Units of ELSS from CM Pool Account to Beneficial Owner account. The changes are enclosed as well as updated at NSDL's intranet site (<https://sqlassist/Back office file formats - New DPM System>).

The subscription and redemption procedure mentioned in the aforesaid circular are once again enclosed with changes highlighted.

For and on behalf of  
**National Securities Depository Limited**

**Samar Banwat**  
**Senior Vice President**

Encl: a/a