



Procedure for Processing Corporate Actions Pertaining to MT Financed Securities

As per current CDS design and CDC procedures supported by CD Act & CDCPL Regulations, the holder of the securities is treated as the Beneficial Owner of the securities irrespective of the nature of transaction/trade due to which securities are transferred to the transferee accounts and to which the resultant entitlements, as and when announced, are also calculated in favor of account holders in whose name the securities are appearing in the CDS account at the end of the day before the start of the book closure date.

Not all MT transactions are forced released before the start of book closure period; therefore in order for the Finanee to get corporate action entitlement, the following would be the procedure:

1. CDC upload mechanism will facilitate automatic movement of securities from Financier account to Finanee account during the end of the day process on the day preceding the start of the book closure date and subsequently the same securities will be transferred back to the Financier account at the beginning of book closure date.
2. CDS to process the transfer on the basis of data uploaded by NCCPL in accordance with (3) below, NCCPL to ensure using CDS Account Holder ID as CM ID in line with current practice.
3. NCCPL to upload the following details in CDS, three business days or latest by one business day prior to the commencement of Book Closure period:
 - Account Holder ID (Both for Financier and Finanee)
 - UIN (Both for Financier and Finanee)
 - SE location (Only for Financier)
 - Security Symbol
 - Volume
4. In cases where more than one CDS Sub / House account of a Finanee exists with a Account Holder, CDS will recognize the UIN appearing in the first account as a principal title e.g. same UIN appearing in three House accounts (i.e. 22, 36, 44) system will recognize “22” as the beneficiary account. In case if no UIN is appearing as a principal title then the same process will be applied for joint account holder(s).
5. In cases where more than one CDS Sub / House account exists for a Particular UIN with the Financier, CDS will allow the transfer on the basis of “SE location”.



6. In cases where Financee's CDS account (Sub/House) is closed or blocked due to whatever reason at the time when securities are to be transferred, securities would be transferred to the Main account of the Account Holder (Broker Financee). Delivery onwards to the beneficiary account will then be the responsibility of the Account Holder.
7. This procedure would only be applicable for Book closures related to the following entitlements:
 - General Meetings
 - Cash Dividend
 - Stock Dividend (including dividend in specie)
 - Rights

For other corporate actions like merger/ de-merger, Split/consolidation, etc., it would be the responsibility of NCCPL to force release all open MT transaction before the start of Book Closure period.

8. Automatic transfer will not be executed in following cases:
 - Any restriction for the movement of securities on either side (Financee or Financier) by any Regulatory authority.
 - If Securities are parked in Main account or new house or sub account of Financier instead of the original account.

Consequently, entitlement will be issued / credited into Financier account or sub-account under his control. CDC will provide a "failure report" to NCCPL at the start of book closure. NCCPL will arrange to deliver the entitlement pertaining to stock dividend and Rights to the entitled Financee account through a manual process in a controlled environment.

Note: The term Account Holder for the purposes of these procedures also includes Participant.