

FIMCIR/2002-03/03

June 20, 2002

Dear Member,

**Re: Standardised Procedures for issue of Certificate of Deposit (CD)**

The Reserve Bank of India (RBI) vide its letter dated January 30, 2002, had assigned FIMMDA, the task of framing standardised procedures and documentations for CDs in consultation with depositories and market participants, as was done by FIMMDA for Commercial Paper earlier.

FIMMDA had formed a Sub-Group to formulate the above. The draft guidelines formulated by the Sub-Group, were placed on FIMMDA's website for suggestions from the market players. Based on the feedback received and detailed discussions with RBI, the guidelines have now been finalised.

The final guidelines are attached herewith. The members may follow these guidelines while issuing CDs, subject to the Depositories Act 1996 and the rules/regulations/other notifications issued by RBI.

Yours truly,

Jayan Menon  
Chief Executive Officer

## **Standardized Procedure, Documentation and Operational Guidelines for Issue of Certificates of Deposit**

### **Background:**

FIMMDA has drafted the following standardized procedure and documentation for issue of Certificates of Deposit (CD) in consultation with depositories and market participants as advised by RBI vide letter No. D.O.No.MPD.2405/03.01.09/2001-02 dated January 30, 2002.

### **Regulatory Framework:**

#### **Eligibility**

CDs can be issued by scheduled commercial banks (excluding Regional Rural Banks). Select Financial Institutions (FIs) that have been permitted to raise short-term resources under umbrella limit fixed by RBI, can issue CDs within the umbrella limit fixed by RBI.

#### **Who can subscribe**

CDs can be issued to individuals (other than minors), corporations, banks, companies, trusts, funds, associations, etc. Non-Resident Indians (NRIs) may also subscribe to CDs.

#### **Denomination**

CD should be issued in denomination of Rs. 1 Lakh (1 unit) of Maturity Value (MV)/Face Value (FV). The minimum marketable lot for a CD, whether in physical or demat form will be Rs. 1 Lakh and in multiples of Rs. 1 lakh.

#### **Maturity \***

Banks can issue CD for a period not less than 15 days and not exceeding one year from the date of issue, whereas FIs can issue CD for a period not less than 1 year and not exceeding 3 years from the date of issue.

#### **Discount**

As per the current RBI guidelines, CD should be issued at a discount to the face value. The parties to contract are free to determine the discount rate.

#### **Reserve Requirements**

Banks have to maintain CRR and SLR on the issue price of the CD.

\* Maturity date for CD is the final date of payment and no days of grace are allowed. The renewal of CD is not permitted with retrospective effect and no overdue interest is payable on overdue CD.

Note: Issuers should ensure adherence to the items marked as \*

### **Transferability**

CDs held in a physical form will be freely transferable by endorsement and delivery. CD held in the demat form can be transferred as per the procedure applicable to other demat securities. There is no lock-in period for CDs.

### **Loans / Premature Payment**

1. Banks/FIs cannot grant loans against CDs. Banks/FIs cannot buy-back their own CDs before maturity. No premature cancellation of the CD is allowed.

### **General Guidelines:**

Appointment of Issuing and Paying Agent (IPA) for issue and redemption of CDs is not required .

Rating of the CD is not mandatory/compulsory.

### **Documentation and Operational Guidelines**

#### **Brief Process of Issue of Certificates of Deposit:**

The investor will make an application (as per format enclosed) to the issuer for investing in the CD. CDs can be issued in the physical/ demat form.

#### **In case of the demat issue:**

The issuer may already have an arrangement with the Depositories for demat of its CD issuances. If such arrangement does not exist , then the issuer has to enter into an agreement with the Depository. The Depository will require an agreement to be executed with the issuer and its registrar. The issuer shall comply with the formalities of the Depository.

Once this arrangement is in place, the Issuer can get an ISIN created by submitting the 'Letter of Intent' and 'Master Creation form' in the format prescribed by the depository. ISIN would be allotted on the basis of the date of maturity of the CD. **So whatever be the date of issue, depending on the date of maturity, the ISIN will be allotted.**

The investor will be required to fill the prescribed application form and submit it along with cheque/Pay Order for the appropriate amount to the issuer. First, CD in the form of a Usance Promissory Note (UPN) has to be executed in a physical form, which has to be duly stamped. Intimation will be given to the Registrar and Transfer Agent (R&TA) by the issuer about the creation of the security in the physical form and stamping of the same. The issuer instead of executing several UPNs, can prepare a Jumbo UPN in respect of several CD issuances taking place for the same date of maturity and class of investors as in case of

Commercial Paper (CP). Market players may refer FIMMDA's guidelines for CP in this connection. The CD in Jumbo UPN form will not be cancelled when the demat security is created. The issuer will hold the consolidated UPN by making suitable remarks on it, which reads as follows:

**“Electronic security against the UPN has been created with NSDL/CDSL bearing ISIN:..... for the credit of investor's account with DP and that the UPN is not available for trade in the secondary market.”**

The UPN with notings stated above on the face of it will be kept with the issuer and would, thus, not be available to the market for trading.

**Validity of the ISIN:** Several CDs can be issued under the same ISIN as long as the due date of all the CDs is same and no CD is issued for a period shorter than prescribed by RBI.

The issuer will send a letter (refer Annexure III) to the depository through the R&TA, to activate the ISIN with the following declaration signed by the authorized officials of the issuer:

1. The CDs issued are within umbrella limit as specified by Reserve Bank of India (in case of FIs only).
2. The original UPN is stamped adequately and kept with the issuer with required notings. These notings are made such that no trading would take place on the basis of the physical certificate (UPN).
3. All policy guidelines of RBI and all procedural and operational guidelines of FIMMDA for the issue of CD have been followed.
4. The CD Redemption A/c Details like the Client Name, Client ID, DP Name, DP ID, should be given so that the Depository can record the details in the system, while activating the ISIN.

After the ISIN is activated, on value date, upon the receipt of the stated consideration by way of banker's cheque / pay order etc. the R&TA will credit the security to the demat accounts of the investors as per the list provided by the issuer, latest by the following working day from date of realisation of cheque. The issuer of the CD has to ensure compliance of the R&TA.

The issuer will issue a certificate (Annexure IV) to the first investor in case the CDs are issued in the demat form.

## **Issue of CD in a physical form**

**As per Monetary policy 2001-2002 announced on April 19, 2001, Banks, Primary Dealers (PDs), FIs and SDs can make fresh investments in Bonds, Debentures, etc only in the demat form from October 31, 2001.**

Investors apart from those mentioned above can hold/buy CDs in the physical form.

### **The process of issuing the CD in a physical form is as follows:**

The issuer after receiving the money from the investor will issue the CD in a physical form directly to the investor. The physical form of the CD will bear a declaration that the CD has been adequately stamped.

**The eligible issuers can issue and accept the CD at any one of its branches. If the CD to be redeemed is in Physical form, then it can be redeemed at the place specified on the certificate. If the CD is in the Demat Form, then it can be redeemed at the centralized place only, mentioned in the ISIN Circular. If the security issued in the demat form has been subsequently rematted before maturity, then also the security will be redeemed at a centralized place mentioned in the ISIN Circular. The holiday calendar of the place of redemption (as per the form of holding at the time of redemption) will be followed for deciding the treatment for CD falling due on a holiday.**

### **Process of Redemption:**

For the investors who are holding the CDs in the demat form

The holders of dematted CDs will approach their respective DPs and have to give transfer / delivery instructions to transfer the demat security represented by the specific ISIN to the 'CD Redemption Account' maintained by the issuer. This redemption account would be common for all CDs issued by the issuer. The transfer should be done before **3.00 p.m at least two working days (applicable for the place of payment)** before the maturity date so as to give sufficient time to the issuer/R&TA to process the papers and arrange to effect the payment, on the due date of the CD. The holder should also communicate to the issuer by a letter/fax enclosing the copy of the delivery instruction it had given to its DP and intimate the place at which the payment is requested to facilitate prompt payment. This place for redemption will be the same as mentioned in the ISIN circular. Upon receipt of the Demat credit of CDs in the "CD Redemption Account", the issuer, on maturity date, would arrange to repay to holder/transferor by way of Banker's cheque/high value cheque, etc. as the case may be, the FV of the CD.

If the payment is requested at any other place (other than the place mentioned in the ISIN Circular), the issuer may agree to and in such a case, charge appropriate remittance charges and send a DD/PO/cheque by courier or post, at the investors' risk, for the amount net of the remittance charges.

After the payment of the CD to the transferor of the CD, the issuer should confirm to the depository that the payment has been made. The payment to the investors will be made on a first come first served basis. The issuer would coordinate with R&TA for extinguishing the securities.

**If CD is in physical form:** Duly discharged CD should be presented by the holder to the issuer, at the place stated therein on the maturity date or on a working day before the maturity date, for payment on maturity date, along with payment instructions. The issuer will repay the CDs on the first come first served basis and would arrange to cancel the redeemed CDs with proper notings on it.

Both physical CDs and demat CDs shall be given equal treatment and the payment will be made on 'first come first served' basis.

**Holiday Convention:**

The CD, being UPN, provisions of Negotiable Instrument Act (Sec 25) would be applicable. Where the maturity date of the CD falls on a holiday declared under Negotiable Instrument Act, it would be payable on the immediate preceding working day. The place of payment for the purpose of interpretation of Sec 25 would be the place where the CD is payable as stated on the CD (physical) or as stated in ISIN circular.

**Default by the Issuer**

If the issuer defaults, then the investor can take the appropriate legal remedies available to him under the legal framework.

**Secondary market transactions in CD may take place as under:**

Secondary market transactions would take place in the manner they are taking place in case of other debt instruments and would be without recourse to the transferors. The main features of secondary market trades are:

1. Non-DVP basis.
2. The deal has to be done in market lot.
3. Deal Confirmation Note (in case of non-NDS trades) is required and all the terms stated in the note (Annexure II) have to be followed both by seller and buyer. No separate deal confirmation is required in case the deal is done/reported on NDS by both the members.

Terms stated in the Deal Confirmation Note (DCN) in case of non-NDS trades (Annexure II) are binding on the parties, i.e. seller and buyer. DCN would specifically mention that no recourse is available against previous holders.

In case of the sale of CD in the Demat form, the seller would promptly give a copy of the delivery instruction it has given to its DP for transfer of securities and also the details of Issuer's CD Redemption A/C to enable the buyer to submit the CD for redemption. This will facilitate flow of required details for submitting CD for redemption by the ultimate holder.

In case of secondary market purchase of CD in physical form, the buyer of CD is entitled to receive the duly endorsed original CD in his favour from the seller.

Unless otherwise mutually agreed by the buyer and seller of CD, trade settlement will take place on T+1 day basis; however, the settlement period will be subject to the ceiling of T+ 5 days or such period of settlement as specified by the exchanges, whenever the trade is done on a recognized stock exchange.

In case of sale of physical CD, the seller of CD must have the CD in his possession, or to the credit of the seller's Demat account, in case of Demat, on contract date. Forward sale contracts / value date contracts are not allowed as per the current guidelines of RBI.

### **Conversion of Physical to Demat:**

#### **Case 1: CD for which ISIN exists**

Step 1:

The client (holder) will submit a request to the DP, in the Dematerialization Request Form (DRF), along with the original CD certificate/s to be dematerialized.

Before submission, the client/holder has to write on the reverse of the 'CD' (certificate/s) in the space provided for endorsement followed by signature of authorized official of holder;

**"SURRENDERED FOR DEMATERIALISATION and credit to my/our demat ACCOUNT. ....(account number) with ..... (DP) name /----- number.**

The DP would give an acknowledgment (DRF acknowledgement portion) to its client confirming the acceptance of the CD for dematerialisation.

Step 2:

DP enters the ISIN of the CD in the 'DRF'. The DP stamps the certificate "surrendered for Dematerialisation" on the face of the CD and sends the certificate and DRF to the R&TA/issuer along with a covering letter for further processing.

**Note:** The CD being a Negotiable Instrument, the Investor should ensure that appropriate notings are made on the reverse of the CD stated above, without fail, so as to avoid the chances of its misuse, in case of loss of the CD in transit.

## **Case 2: CD for which ISIN does not exist**

Step 1:

The issuer, upon receipt of information from the investor will arrange for application for allotment of ISIN.

Step 2:

The client (holder) will submit a request to the DP, in the Dematerialisation Request Form (DRF), along with the original CD certificate/s to be dematerialised.

Before submission, the client/holder has to write on the reverse of the 'CD' certificate/s in the space provided for endorsement; followed by signature of authorized official of holder;

**"SURRENDERED FOR DEMATERIALISATION AND CREDIT TO MY/OUR DEMAT ACCOUNT .....(ACCOUNT NUMBER) WITH ..... (DP) NAME ----- NUMBER.**

The DP would give an acknowledgment (DRF acknowledgement portion) to its client confirming the acceptance of the CD for dematerialisation.

Step 3:

DP enters the ISIN of the CD in the 'DRF'.

The DP stamps the certificate "surrendered for Dematerialisation" on the face of the CD and sends the CD and the DRF to the R&TA along with a covering letter for further processing.

**Note:** CD being a Negotiable Instrument the Investor should ensure that he makes appropriate noting on the reverse of the CD, stated above, without fail, so as to avoid the chances of its misuse, in case of loss of CD in transit.

In case of loss of the CD in transit, the investor would provide adequate indemnity to the issuer's satisfaction.

The following steps to be followed thereafter for demat would be common to both Case 1 & Case 2 (above).

The DP would transmit all the documents received to the issuer/R&TA at his address appearing on the face of physical CD (surrendered).

Upon the receipt of original CDs, DRF etc. the issuer's R&TA would arrange for the credit of Demat CD to the holder after scrutiny.

The issuer would also make the following remarks on the original CD's received by him from DP.

**“Electronic security has been created, (against the UPN issued) on \_\_\_\_\_ with National Securities Depository Ltd/Central Depository Services (India)Ltd. bearing ISIN: ---, for the credit to the investor's account and the UPN issued is not available for trade in the secondary market.”**

Thus, the Electronic Credit of Security (CD) would come to Demat Account of Holder, directly from the issuer/registrars in conformity with the normal depository procedure for Demat.

The issuer will hold in its custody original CD, surrendered by investor through DP, along with the copy of DRF form bearing the above remark.

#### **Conversion of Demat to Physical:**

Considering the advantages of dealing in CD in Demat form and with the instructions from RBI to Banks, PDs, SDs and FIs to invest in demat form w.e.f. October 31, 2001, issuers may discourage conversion of dematted securities into physical/scrip form. However, investors' right to hold debt instrument (like in the case of equity) in physical form is recognized by Depositories Act, 1996. As such, investors request to convert Demat CD to physical would have to be accepted.

The procedure for conversion of Demat CD to physical would be more or less similar to any other debt instrument.

The detailed process is given below:

The holder of Demat CD would submit Remat request in the form “RRF” (Remat Request Form) prescribed by the Depository to his DP.

DP would acknowledge the RRF after checking whether sufficient unencumbered balance of security is available in the account of the client. DP generates a remat request.

The DP shall forward the RRF to the issuer/R&TA.

The Issuer through its R&TA after validating the RRF will confirm electronically to Depository that the RRF has been accepted. This results in extinction of the security in electronic mode.

The issuer would prepare physical CD in the form of Annexure-I given below and complete execution of the document in the manner prescribed as per its by-laws.

The CD instrument now created in the form of Usance Promissory Note (UPN) would bear the date of conversion of the dematerialized CD into a physical CD and not the original date appearing on the Jumbo UPN.

The promissory note so executed in place of Demat Security would be on a non-judicial stamp paper of face value of Re. 1/-. If Re.1/- stamp is not available, non-judicial stamp paper of higher value may be used. The UPN would bear superscribed clause reading as under:

“Issued physical certificate (UPN) on \_\_\_\_\_ in place of Demat security under ISIN \_\_\_\_\_ based on original UPN duly stamped and properly executed.

The issuer would directly send the physical CD bearing the name of the Demat holder to the holder at the address as per depository’s records.

It is expected that physical to Demat process would take 15-20 days from the acceptance of the DRF by the DP (depending on existence of ISIN for relevant CD) and Demat to physical would take 15 days from the date of submission of RRF.

### **Issue of Duplicate Certificates**

**In case of the loss of physical CD certificates**, duplicate certificates can be issued after compliance of the following:

1. A notice is required to be given in at least one local newspaper,
2. Lapse of a reasonable period (say 15 days) from the date of the notice in the newspaper; and
3. Execution of an indemnity bond by the investor to the satisfaction of the issuer of CD.

The duplicate certificate should only be issued in a physical form. No fresh stamping is required as a duplicate certificate is issued against the original lost CD. The duplicate CD should clearly state that the CD is a Duplicate one stating the original value date, due date, and the date of issue (as “ Duplicate issued on \_\_\_\_\_”).

This duplicate CD would not be at any point, available for dematting. The prospective buyer of the CD would know about the risk associated, with the duplicate certificate, while buying it.

**In respect of mutilated CDs**, the branch / office, which had issued the original CD, can issue duplicate by retaining the original CD with itself. The issuer should ensure that suitable remark is made on the original so that it does not come in the market for trading.

The duplicate certificate should only be issued in a physical form. No fresh stamping is required as a duplicate certificate is issued against the original CD. The duplicate CD should clearly state that the CD is a Duplicate one stating the original value date, due date, and the date of issue (as “ Duplicate issued on \_\_\_\_\_”).

This duplicate CD would not at any point, available for dematting. And hence the prospective buyer of the CD would know about the risk associated, with the duplicate certificate, while buying it.

### **Reporting to RBI**

The procedure prescribed by RBI from time to time, for reporting issue of CDs will be followed by the issuers.

### **Stamp duty on Certificates of Deposit (CDs)**

- Certain concession in stamp duty is available (under Article 13 of Indian Stamp Act, 1899) to certain class of investors (commercial and co-operative banks and specified FIs like IFCI, IDBI, SFCs) in terms of Central Government Notification dated 16.05.1976.

#### **a) Where the first subscriber/investor is in the eligible class of investor as above, then the applicable stamp duty structure is as under:**

If the CD is for a period up to 3 months: Re. 0.50 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 3 months up to 6 months: Rs. 1.00 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 6 months up to 9 months: Rs. 1.50 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 9 months up to 12 months: Rs.2.00 per Rs.1000 or each part thereof (maturity value)

If the CD is for a period above 12 months up to 24 months: Rs.4.00 per Rs.1000 or each part thereof (maturity value)

If the CD is for a period above 24 months up to 36 months: Rs.6.00 per Rs.1000 or each part thereof (maturity value)

**b) Where the first subscriber/investor is not in the eligible class of investor as above, then the applicable stamp duty structure is as under:**

If the CD is for a period up to 3 months: Rs. 1.25 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 3 months up to 6 months: Rs. 2.50 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 6 months up to 9 months: Rs. 3.75 per Rs.1000 or each part thereof (Maturity Value)

If the CD is for a period above 9 months up to 12 months: Rs.5.00 per Rs.1000 or each part thereof (maturity value)

If the CD is for a period above 12 months up to 24 months: Rs.10.00 per Rs.1000 or each part thereof (maturity value)

If the CD is for a period above 24 months up to 36 months: Rs.15.00 per Rs.1000 or each part thereof (maturity value)

**Note : The stamp duty is based on the number of months whereas the yield calculation is done based on the actual number of days.**

## Annexure I

### Negotiable Certificate of Deposit

\*\*To be stamped as an UPN under the Indian Stamp Act, 1899

\_\_\_\_\_ Bank/FI

Address \_\_\_\_\_

CD.No. \_\_\_\_\_ Maturity/Face Value(in. Rs.) \_\_\_\_\_

Date of Physical Issue of the CD : \_\_\_\_\_

Value Date \*(Effective date of the issue of CD) \_\_\_\_\_

Maturity Date \_\_\_\_\_

#### NEGOTIABLE CERTIFICATE OF DEPOSIT

\_\_\_\_\_ months/days after the value date \*( without any dates of grace) thereof, we \_\_\_\_\_ Bank/FI, at \_\_\_\_\_ (name of the branch/office) hereby promise to pay to \_\_\_\_\_ (name of the depositor) or order the sum of Rupees \_\_\_\_\_ (in words) only, upon presentation and surrender of this instrument at the said branch/office above, or Demat thereof in the manner prescribed for value received.

\_\_\_\_\_  
Authorised Signatory

\_\_\_\_\_  
Authorised Signatory

**\* The due date is calculated from the value date.**

**\*\* The issuer confirms that the UPN is duly stamped and properly executed as per the requirements of Indian Stamp Act, 1899.**

All endorsements upon this Certificate of Deposit must be clean and distinct.  
Each endorsement should be written within the space allotted

1. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)  
For & on behalf of

\_\_\_\_\_  
(Name of transferor)

2. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)  
For & on behalf of

\_\_\_\_\_  
(Name of transferor)

3. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)  
For & on behalf of

\_\_\_\_\_  
(Name of transferor)

4. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)  
For & on behalf of

\_\_\_\_\_  
(Name of transferor)

5. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)  
For & on behalf of

\_\_\_\_\_  
(Name of transferor)

6. Pay to \_\_\_\_\_ or order the amount  
within named  
(Name of transferee)

**Annexure-II**

**DEAL CONFIRMATION / CONTRACT NOTE ( Non-NDS trades)**

**Trade Date :**  
**CD (MATURITY VALUE)** : RS.  
**PRICE** : RS.

**Value Date of :**  
**DUE DATE \* :**  
**DISC.RATE:** % p a

- ISIN CODE :
- ISSUED BY: CREDIT RATING (not compulsory)]
- DESCRIPTION OF INSTRUMENT DATE OF RATING  
:
- AMOUNT VALIDITY :  
FOR AMOUNT :  
CONDITIONS (if any)
- IN FAVOUR OF: ISSUER OF CD / HOLDERS OF CD
- CONDITIONS IF ANY :

**\* Issuer's liability under the CD will continue beyond due date, in case the CD is not redeemed on due date, even if the CD is in demat.**

SELLER OF CD :

PURCHASER OF CD :

**SETTLEMENT INSTRUCTIONS**

- VALUE DATE
- FUNDS -PLEASE CREDIT TO (ACCOUNT DETAILS) /ISSUE PAY ORDER FVG. FOR AMOUNT RS.
- CD -PLEASE DELIVER TO (DP ACCOUNT DETAILS)

MARKET CONVENTIONS : FIMMDA  
CONVENTIONS

**THE DEAL IS DONE BY**  
(ON BEHALF OF SELLER) MR./MS.  
(ON BEHALF OF PURCHASER) MR./MS.  
ON (TRADE DATE)

OVER PHONE / IN PERSON

*(ON BEHALF OF SELLER OF CD)*

*(ON BEHALF OF PURCHSER OF*

*CD)*

NOTE: ISSUER IS THE SELLER OF CD IN CASE OF PRIMARY MARKET DEAL.

### Annexure III

#### Letter to be given by the issuer to the Depository

Name of Bank / FI :

Address of Bank / FI :

**Re :** Certificate of Deposits ISIN Number :

**We** \_\_\_\_\_ **hereby declare that:-**

1. The Certificate of Deposit (CDs) issued is within the umbrella limit as specified by Reserve Bank of India (RBI)\*\*.
2. The original UPN is stamped adequately and kept with \_\_\_\_\_(Bank/FI) issuer with required noting. The noting is done, such that no trading would take place on the basis of the physical CD (UPN).
3. All policy guidelines of RBI and all procedural and operational guidelines of Fixed Income Money Market and Derivatives Association of India (FIMMDA) for the issue of CD have been followed.
4. The 'CD Redemption A/c' Details are:
  - a) Client Name: \_\_\_\_\_ (Issuer Bank / FI)
  - b) Client ID: \_\_\_\_\_ (Issuer Bank / FI)
  - c) DP Name:
  - d) DP ID:

\_\_\_\_\_  
(Signature)

**Date:** \_\_\_\_\_ **Name & Designation of Authorised Signatory**

\*\* Applicable in case of FIs only.

**Annexure IV**

**Certificate issued by the issuer to the first investor**

**Name of Bank / FI :** \_\_\_\_\_

**Address :**

**To,**

\_\_\_\_\_ (Investor's Name)

\_\_\_\_\_ (Investors Address)

\_\_\_\_\_

The Certificate of Deposit (CD) of Face Value Rs \_\_\_\_\_ (Units \_\_\_\_\_) with maturity date \_\_\_\_\_, bearing ISIN \_\_\_\_\_ has been credited to your demat a/c, given below today.

1) Client ID \_\_\_\_\_ 2) DP Name \_\_\_\_\_ 3) DP ID \_\_\_\_\_.

The "CD Redemption A/c" details are as under :

A) Client Name \_\_\_\_\_ (Issuer Bank / FI)

B) Client ID \_\_\_\_\_ (Issuer Bank / FI)

C) DP Name \_\_\_\_\_

D) DP ID \_\_\_\_\_

**Date:**

**Authorised Signatories**

**CD Application Form:**

CREDIT RATING (IF AVAILABLE)____ BY: _____
--

**APPLICATION FOR NEGOTIABLE CERTIFICATES OF DEPOSIT**

Date of deposit _____
Appln. No. _____
CD No. _____
(For office use only)

Dear Sirs,  
I / We \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

hereby pay an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_  
\_\_\_\_\_) for issuing to me / us Certificates  
of Deposit for a period of \_\_\_\_\_ years / months / days. I / We hereby  
confirm and agree that the terms and conditions for Certificates of Deposit by RBI and FIMMDA from time  
to time shall be binding on me / us.

I / We hereby state that I am / we are Indian Nationals, resident in India / Non-resident Indians.

I / We undertake to inform you promptly any change in resident / non-resident status. (For Non-Residents

FACE VALUE : Rs.  (Rupees _____  ISSUE PRICE : Rs. Discounted Amount:
--

Payment Particulars Cheque / Draft No. _____ Date: _____ Bank : _____ Branch : _____ Amount( in words):
--

(Rupees \_\_\_\_\_)

Amount (in figures) \_\_\_\_\_

Being fully aware that the Certificates of Deposit, if issued in physical form, are negotiable by endorsement and delivery :

1) I / We will personally obtain delivery of the Certificates of Deposit

OR

2) The Certificates may be made out in the name of the first applicant and delivery may be made to any of the applicants.

OR

3) I / We authorize you to deliver the Certificates of Deposit to be issued in my / our favour to Shri \_\_\_\_\_ ("the representative") whose signature is appended duly attested by me / us.

4) I / We , authorize you to despatch the certificates by Registered Post to the first named applicant at the address given below .

5) My Demat Account particulars are as under :

DP Name : \_\_\_\_\_

Demat A/c No. \_\_\_\_\_

DP ID : \_\_\_\_\_

Name :\*

**\* The name of the applicant and in whose name the a/c is there has to be identical**

\_\_\_\_\_ (FI/Bank) will address all communication and will make refund, if any, to the applicant whose name appears first in the application from at the address given therein.

Delivery as aforesaid will give you a full and complete discharge.

1) Name of Investor \_\_\_\_\_

Address in full \_\_\_\_\_

Tel Office: \_\_\_\_\_

Date : \_\_\_\_\_ Place \_\_\_\_\_

Signature \_\_\_\_\_

Signature of representative authorised to collect Certificates of Deposit from \_\_\_\_\_

(Issuer Bank / Institution)

Signature Verified by

Name :

Signature :

Date :

(strike out whichever is not applicable)

### General Information

- 1) The application must be for a minimum of Rs. 1,00,000/- (Rupees One Lakh only) and any additional amount in multiples of Rs1,00,000/- (Rupees One Lakh only)
- 2) The application must be in the name of individuals, corporations, Companies, Trusts, funds, associations, HUF Firms or NRIs
- 3) The maturity period of Certificates of Deposit shall be \_\_\_\_\_
- 4) Certificate of Deposits will be freely transferable by endorsement and delivery (if issued in physical form) through depository mode (if issued in Demat form).
- 5) The application form must be completed in full in block letters. Applications which are not complete in every respect or are made otherwise than as herein required are liable to be rejected.
- 6) In the case of application signed by Constituted Attorney or by limited company or corporate bodies a certified / attested copy of the Power of Attorney or the relevant authorization as the case may be must be attached to the application.
- 7) The credit of the demat CD to be given to the CD Redemption A/c of the \_\_\_\_\_  
As per the details given in the acknowledgement.
- 8) The CD will be redeemed at the place mentioned in the CD Certificate if the CD is held in the physical form. But if the CD is held in the Demat mode then the redemption place will be as mentioned in the ISIN circular.
- 9) If a CD issued in demat form is rematted then the CD will be redeemed at the place mentioned in the ISIN circular.
- 10) \_\_\_\_\_ (issuer) shall not be liable to pay any interest, compensation etc. for delay in repayment due to non presentation at least two working day before due date of CD.

11) Certificate of Deposits are governed by and subject to the laws and rules in effect from time to time including guidelines issued by Reserve Bank of India and procedural guidelines of FIMMDA.

12) \_\_\_\_\_ shall not buyback the Certificate of Deposit issued by it, before maturity. No loan can be given To holder/investor against the pledge of deposit by issuer

13) Any dispute arising from or transfer/splitting of the Certificates of Deposit shall be subject to the jurisdiction of the Courts in \*Mumbai alone.

14) All payments shall be made by crossed cheques only.

15) CD will be issued from the date of realisation of the cheque.

\* However, if mutually agreeable the issuer and applicant can opt for different jurisdiction.

---

ACKNOWLEDGEMENT \*

(to be filled by the applicant)

Received Cheque / Draft No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_  
drawn on \_\_\_\_\_ (Branch) of \_\_\_\_\_ (Bank) from

\_\_\_\_\_ being the application for \_\_\_\_\_ ( Units of FV of Rs I Lac each) Certificate of Deposit,Face Value(in Rs)\_\_\_\_\_

Due on \_\_\_\_\_\*

\* Subject to realisation of the cheque.

Date

Place

Authorized Signatory

**\*The acknowledgement is non-negotiable.**

\*\*In case of physicals-the Certificate would be delivered to the issuer latest by \_\_\_\_\_

\*\* The credit for the demat securities will be given by \_\_\_\_\_

The Demat a/c of the Issuer where the credit will be given on maturity:

Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

DP Name \_\_\_\_\_