

Circular No.: NSDL/POLICY/2018/0052

Date: September 26, 2018

Subject: Opening of depository account in joint names with an individual and a body corporate

As Participants are aware, Section 187 of the Companies Act, 2013 requires companies to hold all investments made or held by it in any property, security or other asset in its own name. However, the proviso to sub-section (1) grants exemption to holding companies in case of holding shares of its subsidiary companies. The exemption allows holding companies to appoint nominees for itself to hold shares in the subsidiary/wholly-owned subsidiary companies in order to meet the statutory minimum limit of members in a company. Share certificates in such cases are usually issued in the name of registered holder (nominee), but the name of the holding company is also mentioned along with the name of the nominee.

Participants can facilitate opening of depository account of the nominee shareholders as follows:

1. An individual and body corporate can open a depository account in joint names. In case the first holder is an individual, the account needs to be opened in individual category whereas, if the first holder is a body corporate then the account type will be "Body Corporate". The KYC documents alongwith PAN of both these entities will have to be obtained by the Participant. Further, Board Resolution to open a joint depository account alongwith the list of persons authorised to open and operate the accounts is required for the corporate entity. Participants are requested to ensure compliance with the procedure mentioned in various Circulars issued by NSDL with regards to account opening and KYC norms of both individual and corporates, for the respective holders.
2. It may be mentioned that since a body corporate would be a joint holder, nomination facility cannot be availed in these cases.

For and on behalf of
National Securities Depository Limited

Chirag Shah
Senior Manager

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Networth Certificate and Audited Financial Statements.	September 30 th every year.	By hard copy to Participant Interface Department.	Circular No. NSDL/PI/98/414 dated September 1, 1998.