V MATHRAN
V MATHRAN & CO PRIVATE LIMITED
204 VAISHNO CHAMBERS, 6 BRABOURNE ROAD, KOLKATA 700 001
033 4602 2696 info@vmathran.com www.vmathran.com
CIN: U67120WB1997PTC086082 GSTIN: 19AABCV6314L2Z0 SEBI Regn No: INZ000200831 & IN-DP-850-2026 MEMBER: NSE, BSE, NSDL

INTERNAL POLICY & COMPLIANCE FRAMEWORK: OPERATIONS FOR INCAPACITATED & DECEASED ACCOUNT HOLDERS.

Regulatory References:

- **Incapacitated Investors SOP:** SEBI Circulars dated **January 10, 2025**, and **February 28, 2025**
- **Transmission Framework: SEBI Simplified Succession & Transmission Framework**, (Effective August 22,2026) which doubled thresholds and removed the mandatory probate requirement for uncontested claims.
- **Nomination Update:** SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2026/12676 dated **May 29, 2026**.

Section 1: SOP for Operation of Accounts - Incapacitated Investors:

This policy handles Beneficial Owners (BOs) who are physically incapacitated, sick, or elderly, but remain **mentally competent to contract.**

1. Pre-requisite Empowerment

- The investor must have proactively designated an **"Empowered Nominee"** (excluding minors) during account opening or modification.
- The BO must pre-define account thresholds (either an absolute value or a percentage cap of assets) that the nominee is allowed to execute/encash.

2: Verification Protocol (The 4-Step Intake)

- **Step 1: Intimation Form:** Accept **Annexure A** (Written Request for Incapacitation) from the Empowered Nominee or family member. If no nominee was previously empowered, a new nomination must be processed via physical registration or Aadhaar e-sign.

- **Step 2: Signature Validation:** If the investor is physically incapable of a wet signature, a **thumb/toe impression or mark** is acceptable. This mark must be executed in the presence of an independent witness and counter-verified by a DP officer.

- **Step 3: Medical Proofs:** Collect a valid medical certificate from a registered medical practitioner detailing the nature and estimated tenure of the physical incapacitation.

- **Step 4: Depository Flagging:** The compliance officer must flag the account as *"Incapacitated"* in the back-end system. This automatically logs all actions under the nominee’s sub-credentials, blocking access to change bank accounts or key KYC fields.

Section 2: SOP for Asset Transmission (Deceased Accounts)

Upon receiving verified information regarding a BO's death, the account must be locked immediately against all debits using the reason code: *"Account Holder Related – Holder Deceased*

Document Processing Matrix (As per Revised 2026 Thresholds): -

Holding Scenario	**Value Matrix**	**Primary Required Documents**	**Operational Action**
Joint Holding	Any Value	Transmission Request Form (TRF) • Notarized/Original Death Certificate • KYC/CMR of surviving holders	Delete deceased name and transfer securities to surviving joint holders
Sole Account WITH Nominee	Any Value	TRF & Death Certificate • Self-attested PAN/Aadhaar/CMR of the Nominee	Direct transmission to the Nominee's active demat account.
Sole Account WITHOUT Nominee	**Up to ₹30 Lakh** *(Revised 2026 Limit)*	TRF & Death Certificate • **Annexure B:** Indemnity Bond • **Annexure C:** Individual Affidavits • **Annexure D:** NOC from all other legal heirs	Process under the Quick Transmission Window without a court order.
Sole Account WITHOUT Nominee	**Above ₹30 Lakh**	TRF & Death Certificate • **Succession Certificate**, **Probate of Will**, or **Letters of Administration** from a competent court.	Standard Transmission following court order authentication.

SECTION 3: Key Internal Controls & Compliance Checklists:

- Dual**-Eye Verification:** A makers-checkers workflow is mandatory for all transmission and incapacitation files. A Compliance Manager must authorize the release of frozen assets.
- Turnaround **Time (TAT):** Under the revised guidelines, DPs must process transmission and transfer assets within **21 calendar days** of receiving a complete, error-free document packet.
- **Indemnity Limits:** For cases below the ₹30 Lakh threshold without a nominee, the DP must strictly check that the value is computed based on the market closing price on the date the TRF is logged

SECTION 4: Required Standard Annexure Formats

To fully implement this compliance module, requires five standard templates:

- **Annexure A (Incapacitation Intimation):** Includes structured fields for tracking physical illnesses, alternative thumb/toe impression captures, and mandatory **DP field-officer verification** signatures.
- **Annexure B (Indemnity Bond):** Drafted with explicit legal verbiage holding the DP harmless against conflicting future third-party claims, suitable for non-judicial stamp papers.
- **Annexure C (Individual Affidavit**): Formatted as a legal oath identifying all surviving family lines under personal succession law, prepared for execution by a **Notary Public.**
- **Annexure D (No Objection Certificate - NOC**): Formatted for non-claiming legal heirs to execute a clean, irrevocable relinquishment of rights.
- **Annexure E (Transmission Request Form - TRF):** Built to function as an all-in-one operational entry form for joint holders, nominees, or legal heirs, with specific input blocks for **ISINs and targeted active client IDs.**

By order of the Board of Directors

V Mathran & Co Private Limited