Elara Securities (India) Private Limited
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Standard Operating Procedure (SOP) on Revised Nomination Facilities

Reference:
CDSL Communiqué No. CDSL/OPS/DP/POLCY/2025/567 dated August 25, 2025
(Aligned with SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/01650 dated January 10, 2025)

1. Objective

To establish a uniform internal procedure for handling demat accounts in the following scenarios:

- Appointment of nominees as per revised SEBI norms.
- Operation of accounts in case of incapacitated investors who retain capacity to contract.
- Providing doorstep support to senior citizens and investors with special needs.

2. Scope

This SOP applies to all demat account holders (individual or joint) and their registered nominees with **Elara Securities (India) Private Limited**. It must be followed by all staff handling client servicing, account modification, or investor support functions.

3. Nomination Framework

1. Investors may appoint one or more nominees (excluding minors) in demat accounts.
2. Investors may empower any registered nominee to act on their behalf during physical incapacitation, provided they retain legal capacity to contract.
3. Investors may define the **percentage or absolute value** of assets that such a nominee may encash during the incapacitation period.
4. The investor may change the empowered nominee without restriction.

4. Definition of Incapacitation

"Incapacitation" means physical inability to sign but with retained mental capacity to contract, as per Section 11 of the Indian Contract Act, 1872.
This **does not** include cases where the investor is in a coma, unconscious, on ventilator support, or of unsound mind.

5. Procedure upon Incapacitation

a. Intimation

- Empowered nominee submits written intimation of incapacitation (Annexure-A format) along with:
  - Medical certificate specifying the reason and duration of incapacitation.
  - Proof of identity of the nominee.

b. Verification

- A designated officer visits the investor personally to verify:
  - The investor's capacity to contract.
  - The authenticity of the medical certificate.
  - Thumb/toe impression or mark (if applicable) taken in presence of an independent witness.
- The officer records remarks: *"Thumb/toe impression affixed in my presence."*

c. System Update

- Record incapacitation flag and nominee details in the DP system.
- Notify both the investor and the empowered nominee.

d. Nominee Operation

- Empowered nominee must be **KYC compliant**.
- Nominee may perform transactions within the investor-specified limits (amount or percentage).
- Transaction thresholds are static throughout the incapacitation period and will not adjust for market movement.
- Funds received from sale/redemption must be credited **only to investor's linked bank account**.

e. Restrictions

- No third-party (including legal heirs) can act unless registered as nominee.
- Empowered nominee cannot request service changes (bank, email, mobile, etc.).
- Pledge creation (including margin pledge) is not permitted during incapacitation.

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6. Cooling-off Period and System Access

- 48-hour cooling period applies post registration of incapacitation before transaction access.
- Initially, transactions may be conducted using investor's login credentials.
- System enhancement to allow nominee login using their credentials will be implemented jointly by Depositories and AMCs.

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7. Doorstep Support

Special doorstep support must be facilitated for:

- **Senior Citizens:** Based on date of birth in KYC records.
- **Investors with special needs or sickness:** Upon submission of valid medical proof.
  Support may include collection of documents, service requests, or nomination registration.

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8. Recovery and Reactivation

Once the investor recovers:

- The incapacitation flag is removed upon verification and documentation.
- The nominee's authorization is revoked.
- Investor's signature and rights are reinstated.

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9. Compliance & Record-Keeping

- Maintain proper records of:
  - Incapacitation requests and verification visits.
  - Medical certificates and witness details.
  - System logs of all nominee transactions.
- Ensure full compliance with SEBI and CDSL circulars.

Annexure A

Letter for intimating Incapacitation of the investor and relevant authorization

Date:

To
Elara Securities (India) Private Limited
One International Center, Tower 3, 21st Floor,
Senapati Bapat Marg, Near Prabhadevi Station,
Prabhadevi, Mumbai 400013

Sub: **Intimation about Incapacitation of the investor and Authorization letter**

PAN of the Incapacitated investor																
Demat Account / Folio No.																

I/We hereby wish to inform you that the above referred investor has become incapacitated from __ /__ /____ to ____ / ____ / _____ (tentatively) for reason_____ due

to which he / she is unable to transact though having the capacity to contract. Refer the medical certificate from our doctor indicating the same.

I/We request you to record the same in your records and approve the transactions only if the same is initiated by the person authorized by him / her and is within the limits prescribed, if any. I/We also hereby authorize you/your team to independently validate the above incapacitation by visiting the incapacitated investor (tick appropriately / provide information as requested), take appropriate thumb / toe impression or complete any other prescribed processes and procedures, as mandated by the regulator(s).

- at the registered address (or)
- at the address where investor stays now (specify)_____
- at the hospital specify the details _____
- Contact Number(s): _____ to fix appointment (if required).

Documentary Proof enclosed (tick as applicable):

- Original Medical certificate indicating incapacitation.
- Self-attested PAN card copy / Masked Aadhaar copy of the incapacitated investor.
- Copy of the court order or letter from the competent authority (where applicable).
- ID Document number of authorized nominee (which should match with details of registered nominee)

I/We will extend all support and cooperation to complete the processes and tag the account as 'Incapacitation', wherever the above referred PAN / Folio(s) is present.

Declaration from Empowered Nominee

I hereby confirm my understanding and acknowledge the responsibility for limited purpose transaction, as per the wish of the investor(s), in the above referred account/folio and assure to help your esteemed organization with all the required information/documentary proof and support, as required from time to time.

Signatures:

Holder	Name	Signature
First holder		
Joint Holder1		
Joint Holder2		
Authorized Nominee		

Letter for intimating Incapacitation of the investor and relevant authorization

For Office Use only, to be filled only by Regulated Entity employee

I, _____ Emp. No. _____, **Elara Securities (India) Private Limited** visited the above address/hospital and met the incapacitated investor and noted the incapacitation and obtain the following:

Date of Visit	Thumb Impression*	Toe Impression	Marks noted

*Signature of Witness:

Name of the Witness:

Address of the Witness:

Signature of the employee of **Elara Securities (India) Private Limited**: _____