



# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2025/308

May 09, 2025

### CLOSURE OF DEMAT ACCOUNTS WITH STATUS “TO BE CLOSED”

Depository Participant (DP)s are advised to refer to **Chapter 7 – Transmission** (in case of death of demat account holder) and **Chapter 10 – Account closure** of the CDSL DP Operating Instructions (OI), wherein the complete process of Transmission and account closure is mentioned.

DPs are advised to refer to point no. 7.5.8 of aforementioned DP OI, wherein it is mentioned that securities which are encumbered (i.e. Pledged, earmarked etc.) will not be transferred out of the demat account and will remain in the deceased BO's demat account till such time the encumbrance is removed or the obligation (in case of earmarking) is met. Similarly, ISINs that are 'Frozen for debits and / or credits' due to regulatory restraints like pending listing of the company with the Exchanges pursuant to an Initial Public Offer (IPO) or Scheme of arrangement etc. will not be transferred out of the demat account. In such cases, the demat account will reflect “To be closed” status in CDSL systems. At a later date, whenever the ISINs are activated / free balances available in the demat account with status “To be closed”, the DPs shall immediately process the transfer of the said ISINs to the demat account of the transmittee BO(s) based on a copy of the Transmission Request Form submitted earlier.

In case of closure of demat account wherein accounts are with status “To be closed” due to Freeze or Pledge balance or lock-in or inactive ISINs, DPs are advised to follow the guidelines laid down in point no. 10.5.3.9 of DP OI i.e. If the status of the demat account is “To be Closed” remains for more than one year in CDSL systems, DP will be required to obtain the fresh account closure request from the BO/s to process the closure request in CDSL systems and transfer the active ISINs / free balances”.

It has been observed that, It is observed that DPs are not transferring the ISINs to the target demat account, inspite of the active ISINs active / free balances are available in the demat account with status “To be closed”.

At a later date, whenever the ISINs are activated / free balances available in the demat account with status “To be closed”, the DPs shall immediately process the transfer of the said ISINs to the target demat account.

DPs are once again strictly advised to follow the complete process as per the guidelines laid down and ensure compliance.



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Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: [dprtasupport@cdslindia.com](mailto:dprtasupport@cdslindia.com) and connect through our IVR Number **022-62343333**.

For and on behalf of  
Central Depository Services (India) Limited

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Nilesh Shah  
Asst. Vice President – Operations