

Date : 31 Dec 2024

Dear Sir/Madam,

Re: NRE PIS Savings account number [REDACTED] with us - Portfolio Investment Scheme

We refer to the above mentioned savings account. We would like to reiterate some of the guidelines as laid down by Reserve Bank of India which you are requested to note while buying or selling shares in the secondary market through stock exchanges under the Portfolio Investment Scheme.

In November 1999, the Reserve Bank of India has delegated the authority to the authorised dealer (HDFC Bank) to issue the necessary approvals to the NRI customer to deal in secondary market through HDFC Bank's PIS designated branches only.

Salient Features of the Portfolio Investment Scheme (PIS)

- The customers who want to deal in shares in the secondary market through the stock exchange have to open their PIS accounts (Repatriable/Non Repatriable) in the designated branches of the bank, which are approved by RBI. The customer can deal with only one designated branch of HDFC Bank at any point of time for the PIS activity.
- The Link office of the Bank will issue approval to the customer to buy / sell shares.
- If the PIS account/PIS Permission is transferred from any other bank to HDFC Bank, then you should furnish a "No Objection Certificate" from your present banker along with a holding statement (having details of scrip name, date of purchase, cost of purchase, quantity) and a latest copy of the Demat Statement of securities.
- As an NRI you will be allowed to invest only upto 5% of the paid up capital of the company. RBI monitors that the overall ceiling of 10% on the acquisition of shares and debentures by NRIs on repatriation/ non-repatriation basis under the Portfolio Investment Scheme.
- Before purchasing shares, you could visit the **FII list on the RBI website www.rbi.org.in** which has the details of the shares which are on the caution / banned list, wherein the prescribed limits have been reached, and which should not be purchased by NRI's at that point in time.
- As an NRI you are not allowed to invest in any company which is engaged or proposes to engage in the following activities (i) Business of chit fund, or (ii) Nidhi company, or (iii) Agricultural or plantation activities, or (iv) Real estate business* or construction of farm

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houses, or (v) Trading in Transferable Development Rights (TDRs).[* Real estate business" does not include construction of housing / commercial premises, educational institutions, recreational facilities, city and regional level infrastructure, townships].

- NRIs have to take delivery of the shares / convertible debentures and give delivery of the shares / convertible debenture through self demat account.
- You or your Broker should submit the original contract notes to the designated branch within 24 hours of the purchase or sale transaction and take an acknowledgement of the same. Every purchase and sale transaction done by NRIs has to be reported to the RBI by the designated branch on a daily basis.
- On the purchase contract note, PIS permission number, PIS account number from which payment has been made, Photocopy of cheque or cheque details are to be mentioned. Purchase amount mentioned should match with the purchase value .
The contract to be settled on bill to bill basis.
- In case of purchase and sale on the same trade date , net off is not allowed.. For each sale broker should release separate pay out as per sale value.
- The sale proceeds cheque should be deposited only at PIS designated branch at PIS desk and not any other branch/cheque drop box. For every sale transaction applicable capital gains tax will be deducted by the Bank at the time of crediting sale proceeds to PIS account.
- Incase you wish to avail of DTAA benefit you will be required to submit the requisite documents in the beginning of every financial year.
- Details of corporate actions associated with any holdings and NON PIS shares should be provided by you on time to time. Bank will not undertake monitoring of the same.
- Details of all PIS charges are mentioned on the Tariff Sheet provided alongwith the PIS application form .
- Details of shares acquired as a resident Indian or acquired in IPO on repatriable/Non repatraible basis should be provided to us to compute capital gain tax before selling these shares. This will avoid delay in processing sale proceeds.
- The computation of capital gain tax will be done without indexation method.

For any Clarification , you may get in touch with us directly at nri@hdfcbank.com. All such mails should carry subject line as "PIS SCHEME" for easy identification and faster resolution.

THIS IS A COMPUTER GENERATED LETTER AND REQUIRES NO SIGNATURE

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