



Central Depository Services (India) Limited

Convenient ⊕ Dependable ⊕ Secure

COMMUNIQUÉ TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/427

May 13, 2009

AMENDMENTS TO CDSL's ISSUER/RTA OPERATING INSTRUCTIONS – CHAPTER 6: COSTS, CHARGES & DEPOSITS

Issuers/RTAs are advised to note that CDSL has amended the **Issuer/RTA Operating Instructions, Chapter 6: Costs, Charges & Deposits, point 6.15** to include the levying of a processing fee for the *withdrawal / removal of a security (ISIN)* from the CDSL system. The said Chapter 6 is attached [see **Annexure-A**] with the amendments effected in *track changes* mode.

Issuers/RTAs are advised to note that, in the event that a company decides to remove the unlisted security (ISIN) from the CDSL system, the following procedure would need to be mandatorily complied with:

1. **An application** from the issuer / company requesting that the given security (ISIN) is to be withdrawn / removed from the CDSL system and marked therein as "permanently inactive",
2. **Board resolution** passed by the company for the withdrawal / removal of the security (ISIN) from the CDSL system.
3. **Declaration** from the company stating that they have informed all their shareholders regarding the proposed withdrawal / removal of the security (ISIN) from CDSL.
4. **Undertaking-cum-Indemnity**, in the prescribed format (see **Annexure-B**), duly executed by the company and signed by the authorized signatory(ies).
5. **Outstanding Annual Custodial Fees and any other outstanding dues** as on the date of application to be cleared before the application is taken up for processing by CDSL.
6. **Processing fee** (for withdrawal of unlisted securities) plus taxes, as applicable, to be submitted along with the application to CDSL.

On receipt of / compliance with the above requirements, the application for withdrawal will be processed by CDSL under advice to the applicant Issuer / Company.

Queries regarding this communiqué may be addressed to **CDSL-Helpdesk** on telephone no. (022) 2272-3333 (extn. 8642, 8427, 8663, 8624, 8693, 8625, 8639), direct (022) 2272-1261, (022) 32462767, (022) 2272-2075 or email ID: helpdesk@cdslindia.com.

sd/-

Ramkumar K.
Vice President – Operations

6 COSTS, CHARGES AND DEPOSITS

6.1 The Issuer/RTA shall, pay to CDSL such costs, charges and deposits as are specified herein, along with service tax as applicable at the prevalent rate. In the event of the Issuer/RTA failing to make payment of the costs, charges or deposits, as the case may be, by the respective due dates hereunder in addition to any other rights or remedies that may be available to CDSL against the Issuer/RTA, the Issuer/RTA shall be liable to pay interest to CDSL on such delayed payment or part thereof on the quantum of such delayed payment at the rate as may be prescribed by CDSL from time to time. Such costs, charges and deposits shall be subject to any change or revision from time to time by CDSL.

6.2 Cost of Connectivity (Lease line/ VSAT) & Cancellation Charges:

Cost of connectivity with CDSL either through VSAT or Lease line and equipments to be purchased by the Issuers/RTAs would be informed by CDSL/connectivity service provider from time to time.

6.3 Annual charges to be paid by Issuers to CDSL:

Reference SEBI Circular no. MRD/DoP/SE/Dep/Cir-2/2009 dated February 10, 2009, Issuers to pay @ Rs.8.00 (*) per folio (ISIN position) to CDSL, subject to a minimum as mentioned below:

Nominal value of admitted securities (Rs.)	Annual Custodial charges payable by a Issuer to CDSL (Rs.) (*)
Upto 5 crore	6,000
Above 5 crore and upto 10 crore	15,000
Above 10 crore and upto 20 crore	30,000
Above 20 crore	50,000

* Plus service tax as applicable

The Issuers would be required to pay custody charges to CDSL with whom Issuers have established connectivity based on the total number of folios (ISIN positions) as on 31st March of the previous financial year or the minimum amount, as the case may be, by 30th April of each financial year, failing which, CDSL will charge penal interest subject to a maximum of 12% p.a.

6.4 Extinguishment of securities as a consequence of buy back

A flat charge of Rs.1000/- shall be levied for each request of extinguishment of securities.

6.5 Admission of certificates of deposit (CDs), issued in electronic form

A charge of Rs.1,000 shall be levied for each allotment. In the alternative, Issuers of CDs will have an option to pay a lumpsum charge of Rs.25,000/- towards allotment of all such issues for the financial year (April – March).

6.6 Admission of Commercial Papers (CPs), issued in electronic form

An annual charge of Rs.5,000 shall be levied for allotment of CPs for the financial year (April – March).

6.7 PSU dis-investments and offers-for-sale transactions

A charge @ 0.01% subject to a minimum of Rs.5/- and maximum of Rs.12/- per debit transaction or Rs.500/- whichever is higher.

6.8 Corporate Action / IPO / FPO / NFO electronic transaction update

- A charge @ Rs.10/- per credit and/or a charge of Rs.10/- per debit to/from a BO account subject to a minimum of Rs. 1000/- per file. However, in case of split or consolidation or capital reduction only one side will be charged.
- Debits / Credits attempted to invalid BOIDs will attract charge.
- Additional fee up to Rs.20,000/- will be levied for customized CA/IPO/NFO processing request.

6.9 Verification of BOIDs (CA / IPO / FPO / NFO)

- Re.1/- per record, subject to a minimum of Rs.10,000/- per issue.
- Verification attempted on invalid BOIDs will attract charge.

6.10 Rectification of erroneous file(s) for processing of Corporate Action / IPO

A fee of Rs.10/- per record, subject to a minimum of Rs.1,000/- (per file).

6.11 Admission of Pass through certificates (PTCs)

A charge of Rs.5,000/- shall be levied for processing all issues of PTCs under an ISIN.

6.12 Charges for reactivating of ISINs of securities of private limited and unlisted companies

A charge of 0.01% of the transaction value or face value or book value of the shares, whichever is higher, subject to a minimum of Rs.10,000/- plus applicable taxes, on private limited companies where the ISIN is frozen or unfrozen at CDSL, and on unlisted companies where such request is received from the company.

Transactions for this purpose would mean requests for transfer of shares and effecting debit / credit through a corporate action.

6.13 Charges for reprocessing the Application *(for Issuers)* :

For re-submission of returned applications, CDSL shall levy a re-processing charge of Rs.1,000/-.

6.14 Charges for Change of RTA :

For effecting change of electronic RTA of any company, CDSL shall levy a charge of Rs.5,000/-. For re-submission of returned applications, CDSL shall levy a re-processing charge of Rs.1,000/-.

6.15 ~~Joining~~ Processing Fees for Issuers

A ~~one-time joining~~ non-refundable processing fee of Rs.20,000/- plus applicable taxes, shall be payable by Issuers for admission of listed and/or unlisted securities. A non-refundable processing fee of Rs.20,000/- plus applicable taxes shall be payable by Issuers for the removal of unlisted securities.

6.16 Admission of new Issuer/RTA (for RTA activity)

An intending Issuer / RTA shall be levied a one time interest free refundable deposit of Rs.1,50,000/-.

6.17 Software Maintenance Charge

An Issuer / RTA shall be levied Rs.40,000/- per annum as software maintenance charge. The fees would be pro-rated on a monthly basis for the first financial year.

6.18 Charges for re-installation of application software

Occasionally, due to certain problems in the hardware system or operating system, etc., CDSL engineers are required to re-install the CDSL application software. Re-installation could be required due to fault in hardware of the Issuer/RTA or due to

malfunctions of their operating system or reasons attributable to fault / inappropriate use by users.

For all re-installations which are necessitated due to the above faults, CDSL shall levy charges as given below :

- 1) For all locations in Mumbai reachable by local train i.e. Virar, Kasara, Karjat, Khopoli and Panvel, a charge of Rs.2,000/- plus actuals will be levied.
- 2) For all upcountry centers, a charge of Rs.5,000/- plus actual travel, boarding and lodging expenses will be levied.

6.19 Charges for retrieval of old data

For retrieval of past data / reports as per the user requirement, the Issuer/RTA will be charged Rs.5,000/- per request. If the data is required in a particular format, the Issuer/RTA will be charged Rs.5,000/- plus cost incurred by CDSL for software development required for computation of such data.

6.20 Document Processing Fees for Admission of New Issuer/RTA (for RTA activity)

A one-time document processing fee of Rs.20,000/- shall be levied.

6.21 Charges for re-processing the Application for New Issuer/RTA (for RTA activity):

For re-submission of returned applications, CDSL shall levy a re-processing fee of Rs.20,000/- to RTAs.

6.22 Charges for BenPos generation

BenPos, in the normal course, is generated / distributed to all the Issuers/RTAs once a week (Friday) and as on end of the month or on set up, due to Corporate Action by company / statutory requirements. If BenPos is required on any other date / day, a fee of Rs.5,000/- per request per day is levied on the Issuer/RTA.

6.23 Admission of additional equity shares of listed / proposed to be listed companies / units issued in NFO/Change in constitution of capital of the company including reduction of capital of the company, split, consolidation of shares etc.

- For processing documents submitted for admission of fresh capital/change in the constitution of the capital of the company including reduction of capital of the company, split, consolidation etc. for listed equity shares, CDSL shall levy a processing fee of Rs.10,000/-

- The fee is payable only once for a ESOS / ESOP / ASOP / Call Payments Issue (tranche), buy-back of shares and conversion of FCCBs / GDRs / ADRs.

UNDERTAKING-CUM-INDEMNITY
TO BE OBTAINED FROM UNLISTED COMPANIES

We, _____, a Private Limited / Limited Company incorporated under the Companies Act, 1956, (hereinafter called "**the Company**") have admitted our equity shares / debentures for dematerialisation with Central Depository Services (India) Limited (hereinafter called "**CDSL**"). Now the company wishes to deactivate their ISIN from CDSL.

1. NOW WE DO HEREBY SOLEMNLY DECLARE, AGREE, CONFIRM AND UNDERTAKE AS FOLLOWS:-

- i) That none of the ISINs _____ pertaining to our company admitted in CDSL are listed on any exchange.
- ii) That the ISINs _____ pertaining to our company will be kept permanently inactive.
- iii) We agree to indemnify and keep indemnified and saved, harmless CDSL, its officials, Participants and Beneficial Owners of, from and against (i) any harm, loss, damage or injury, (ii) any claim or demand and (iii) any suit, action, litigation or other proceedings whatsoever, that CDSL and/or its Participants and/or Beneficial Owners may suffer or incur or may be called upon to suffer or incur (including all costs, charges and expenses incurred or required to be incurred on prosecuting or defending any suit, action litigation and/or proceedings) by reason of or as a consequence of the permanent deactivation of ISINs pertaining to our company. CDSL shall not in any way be held responsible for non-compliance of any applicable laws due to deactivation of ISINs and the sole responsibility for such deactivation shall be that of the company.

SIGNED SEALED AND DELIVERED

by the within named _____)

in the presence of _____)

Date : _____