

Media Release

CDSL slashes pledge/ repledged rates for margin transactions up to 91%

Mumbai, August 24, 2020: SEBI vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 had prescribed a new system of margin pledge wherein the shares lying in the investor's account would be pledged to the trading member and in turn to the clearing members and Clearing Corporation. This system would ensure that there would not be any need to transfer the securities from the investors' account to the trading members or clearing members for purpose of pledging it with the Clearing Corporation for the purpose of margins as per the extant risk containment system prescribed.

CDSL currently charges Rs.12/- for each pledge setup and Rs.12/- for each unpledge setup. The market participants were also bracing themselves for Rs.12/- per transaction in the case of margin pledge and margin repledge system which was a mandatory requirement as per the new regulations which took effect from August 01, 2020.

Mr. Nehal Vora, MD & CEO of CDSL stated "We had received a few representations from the broking community and some investors to review and consider a lower rate revision specifically with respect to margin pledge and repledge transactions. Accordingly, in the interest of market development and investors, CDSL has decided to reduce the charges substantially and levy a charge of Rs.5/- for margin pledge / margin unpledge involving the end investor, while levying a charge of only Re.1/- for each margin repledge or unpledge of margin repledge thereby effecting a downward revision of up to 91% for such margin pledge / repledge transactions from the existing tariff being charged for the other pledge transactions. The said changes in tariff have been also duly notified with SEBI."

The details of the above charge structure would be available in the CDSL communique reference no. CDSL/OPS/DP/POLCY/2020/359 dated August 21, 2020 available on the CDSL website <https://www.cdslindia.com/common/DownloadFile.aspx?eventid=DP2020-359&action=communique>

About CDSL:

Central Depository Services (India) Limited (CDSL) is India's leading and only listed depository, with an objective of providing convenient, dependable and secure depository services at affordable cost to all market participants. CDSL received its certificate of commencement of business from SEBI in February 1999 and it facilitates holding and transacting in securities in the electronic form and facilitates settlement of trades on stock exchanges.

CDSL maintains and services 2.4 crore Demat accounts of Investors or Beneficial Owners (BOs) spread across India. These BOs are serviced by CDSL's 596 Depository Participants (DPs) from over 20,000 locations.

CDSL's enduring focus on delivering quality services and innovative products has propelled it on a high-growth path in recent years. Since the financial services industry has become increasingly IT-reliant, cutting-edge technology is at the heart of CDSL's strategic vision.

Major shareholders of CDSL include BSE, Canara Bank, HDFC Bank, LIC and Standard Chartered Bank.

CDSL along with its subsidiaries also provides a host of services to the financial intermediaries and markets, these include:

- **CDSL Ventures Limited (CVL)** looks after "Customer profiling and Record Keeping" for issuance of Know Your Client (KYC) acknowledgement to mutual fund investors. It is the first and largest KYC Registration Agency (KRA) in India with over 2 crore KYC records. The KRA enables a KYC compliant investor to avoid duplication of KYC process while opening an account for the purpose of trading / investment through multiple intermediaries in the securities market. CVL also provides eKYC and is registered as AUA/KUA with UIDAI.
- **CDSL Insurance Repository Limited (CDSLIR)** is a company registered under the Companies Act, 1956. CDSL IR has received registration certificate from Insurance Regulatory and Development Authority of India (IRDAI) to act as an 'Insurance Repository' under the Guidelines on Insurance repositories and electronic issuance of insurance policies dated 29th May 2015.
- **CDSL Commodity Repository Limited** allows the Farmer, Farmers Producer Organizations (FPOs), Manufacturers, etc., to obtain electronic warehouse receipts (negotiable or non-negotiable) [eNWRs or eNNWRs] in a demat account against deposit of commodities in any of the warehouses registered with Warehousing Development and Regulatory Authority (WDRA).

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