



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SETTL/5872

April 13, 2016

PROCEDURE FOR REVERSAL OF ERRONEOUS TRANSFERS – ONLINE FACILITY

DPs are advised to refer to Communiqué no. CDSL/OPS/DP/1769 dated November 06, 2009, whereby we had informed regarding the procedure to be followed by DPs for reversal of erroneous transfers due to data entry error by DP / error by BO in the delivery instruction slip [DIS] or error by Clearing Member (CM).

Presently, in case of erroneous transfers, the DP with whom the “debited” BOID is maintained (from whose account the securities were debited) is required to initiate the procedure for reversal of erroneous transfers by submitting the facts in the prescribed format ‘Annexure A’ provided in the said communicate along with the other documents. It has been observed that on several occasions due to typographical errors in the details provided by DPs in the said ‘Annexure A’ i.e Seller / Buyer BOID etc. or incomplete documents submitted by the DP the process of reversal of erroneous transfer gets delayed since the DPs are required to rectify the errors and resubmit the documents.

CDSL is now pleased to inform DPs about the release of a new facility in ‘easiest’ whereby the said ‘Annexure A’ can be set up online by the DP through their easiest login. The details i.e trade ID, Seller BOID, Buyer BOID, Quantity entered by the DP during set up of ‘Annexure A’ will be validated against the details in CDAS for the said trade ID entered by the DP and for matched cases only the ‘Annexure A’ can be successfully setup. The quantity entered can be less than or equal to the quantity present for the Trade ID in CDAS. The detailed process flow is given below:

1. The DP can set up ‘Annexure A’ online by accessing the new option ‘Erroneous Transfer’ provided in DPs easiest login under the menu Easiest > Setup > Erroneous Transfer. After clicking on the new option, a setup screen will be available to enter the erroneous transfer details. The required mandatory fields will have to be entered by the DP including Trade ID field which is mandatory. In case of multiple ISINs, separate Annexure ‘A’ (ISIN wise) will be required to be setup.
2. On submitting the erroneous transfer request details, system will validate and match the details entered by the DP i.e Seller BO and Buyer BO and Quantity against the Trade ID details present in CDAS and Success/Failure message will be displayed. The quantity entered can be less than or equal to the quantity present for the Trade ID in CDAS.



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3. After successful set-up of 'Annexure-A', the DP can download and submit the same to CDSL duly stamped and signed by the compliance officer or authorized signatory along with the other documents (refer details below).
4. For erroneous transfer due to error by BO / CM, the said BO / CM if required can also set up 'Annexure A' online by accessing the new option 'Erroneous Transfer' under Transaction menu provided in their easiest login.
5. The 'Annexure A' set up by the BO / CM will be sent to the DP of the BO or CM for authentication.
6. The BO/CM can modify / delete the details in 'Annexure-A' till such time the details are not authenticated by the DP.
7. The DP can either accept / reject the request. The details entered by the BO / CM cannot be modified by the DP. The DP can view the list of 'Annexure-A' set-up by the BO / CM which are pending for DP authentication.
8. Once the details are authenticated by the DP, the DP will be required to download and submit the same to CDSL duly stamped and signed by the compliance officer or authorized signatory along with the other documents (refer details below).

The list of the documents to be submitted by the DP along with 'Annexure A' are as follows:

- Letter from the BO / CM (whichever is applicable) addressed to the DP informing about the erroneous transfer.
- Copy of the Delivery Instruction Slip (DIS) duly filled in by the BO / CM (from whom the error was initiated)
- Letter from the DP duly signed by the compliance officer / authorized signatory requesting CDSL to rectify the error.
- Indemnity from the BO (**Refer Annexure-I**) or CM (**Refer Annexure-II**) or DP (**Refer Annexure-III**) on Rs. 500/- stamp paper / stamp duty as applicable for the state of Maharashtra.
- Copy of the transaction cum holding statement containing the details of the erroneous transfer duly stamped and signed by the DP.



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DPs are advised to note that w.e.f. May 2, 2016, for all requests for reversal of erroneous transfer, the DP should submit the 'Annexure A' which is downloaded by them from their easiest login along with the other documents as mentioned above.

Queries regarding this communiqué may be addressed to:

- ❑ **CDSL – Settlement Desk** on (022) 2272-8635, 2272-8573, 2272-8612, 2272-8421, 2272-2008, or 2272-1262. Emails may be sent to: operations@cdslindia.com.
- ❑ **CDSL – Helpdesk** on (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8639, 2272-1261, or 2272-2075. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Nayana Ovalekar
Senior Vice President – Operations

This DEED OF INDEMNITY is made at _____ this ____ day of _____,
_____ between _____, *(name(s) of the Beneficial Owner(s) (hereinafter referred to as "BO(s)")* having address at _____

_____ of the **FIRST PART**
and _____ *(Name of the Depository Participant)** (hereinafter referred to as "DP") having its registered office at _____

_____ of the **SECOND PART** *(name of the DP who is holding the BO account to which the securities have been erroneously credited) and Central Depository Services (India) Limited, (hereinafter referred to as "CDSL") having its registered office at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013 of the **THIRD PART**.

1. **WHEREAS** I/We _____,
(name(s) of the BO(s)) have opened a Beneficial Owner Account bearing No. _____ with

_____ ,
Depository Participant of CDSL registered under DP ID _____.

2. **AND WHEREAS** I/we have given instruction on _____ via easiest/to DP _____
(name of the DP with which the BO(s) hold(s) his/their account) for transferring _____ securities bearing International Securities Identification Number (ISIN) _____ to the credit of BO account bearing number _____ / CM account bearing number _____ and settlement ID _____ with CDSL or to an account with National Securities Depository Limited, with its Depository Participant bearing DP ID _____ and Client ID _____ / CM BP-ID _____ and Settlement ID _____ (target account).

3. **AND WHEREAS** _____ (name of the DP processing instruction) has executed the abovementioned instruction in accordance with the details furnished by me.

4. **AND WHEREAS** I/we have now realized that the target account number / settlement number mentioned in the aforesaid DIS is incorrect. Inadvertently, I/we have mentioned the target account number as _____ instead of _____ and

consequently the securities have been transferred by _____
_____ (name of the DP processing DIS)
to a BO / CM account to whom it was not intended to be credited by me/us.

5. **AND WHEREAS** I/we have requested DP vide our letter dated _____ to inform the DP, _____ who is holding BO account _____ to initiate necessary action for carrying out rectification as mentioned in our aforesaid letter.

NOW THIS DEED WITNESSETH and in consideration of CDSL and _____, the DP (name of the DP who is holding the BO account to which the securities have been erroneously credited), having agreed to reverse/rectify the said entries on the faith and strength of the representation made by me/us, I/we agree to indemnify and keep indemnified and saved harmless CDSL and the aforesaid DP 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 DP 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 such reversal / rectification / modification / alteration of the electronic entries effected in accordance with the aforesaid.

IN WITNESS WHEREOF the _____, (*name(s) of the BO(s)*) has/have put his/their hands on the day, month and year first hereinabove mentioned.

SIGNED AND DELIVERED by _____)
the within named Beneficial Owner(s): _____)
_____)
_____)
_____)
in the presence of: _____)
_____)

[for printing on Rs.500/- stamp paper]

This DEED OF INDEMNITY is made at _____ this ____ day of _____, _____ between _____ (name of the Clearing Member), (hereinafter referred to as "the CM") which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of _____ (Name of the Stock Exchange) having its registered office at _____

_____ (Address of the CM) of the **FIRST PART** and Central Depository Services (India) Limited, a Depository registered under the Securities and Exchange Board of India Act, 1992, (hereinafter referred to as "CDSL") having its registered office at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013, of the **SECOND PART** and

_____ (Name of the Depository Participant)* (hereinafter referred to as "DP") having its registered office at _____

_____ of the **THIRD PART**.

(*name of the DP who is holding the BO/CM account to which the securities have been erroneously credited).

- WHEREAS** we have submitted instruction(s) for direct pay-out to the Clearing House (CH) / Clearing Corporation (CC) for settlement no. _____ dated _____ (OR) have submitted the instruction(s) to _____ (Depository Participant with whom the CM is holding his/its account)/easiest for transferring _____ securities held by us of _____ (name of the company) bearing International Securities Identification Number (ISIN) _____ to the credit of BO account bearing number _____ or a CM account bearing number _____ and settlement ID _____ with CDSL or to an account with National Securities Depository Limited, with its Depository Participant bearing DP ID _____ and Client ID _____ / CM BP-ID _____ and Settlement ID _____ (target account);
- AND WHEREAS** the said CH / CC / DP has executed the above-mentioned instruction(s) in accordance with the details furnished by us.
- AND WHEREAS** we have now observed that the target account number mentioned in the aforesaid instruction(s) is/are incorrect. Inadvertently, it was mentioned as

_____ instead of _____ or DPID _____
and Client ID _____ (in case of inter-depository account) and consequently the
securities have been transferred to a BO / CM account to whom it was not intended to be
credited by us.

4. **AND WHEREAS** we have requested DP vide our letter dated _____ to inform
the DP, _____ who is holding BO / CM
account _____ to initiate necessary action for carrying out
rectification as mentioned in our aforesaid letter.

NOW THIS DEED WITNESSETH and in consideration of CDSL and
_____, the DP (name of the DP who is holding the BO account to which
the securities have been erroneously credited) having agreed to reverse/rectify the said entries
on the faith and strength of the representation made by us, we agree to indemnify and keep
indemnified and saved harmless CDSL and the aforesaid DP 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 DP 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
such reversal / rectification / modification / alteration of the electronic entries effected in
accordance with the aforesaid.

IN WITNESS WHEREOF the _____, (*name of the CM*)
has/have put his/their hands on the day, month and year first herein above mentioned.

SIGNED AND DELIVERED by _____)
the within named Clearing Member: _____)
_____)
_____)
_____)
in the presence of: _____)
_____)

This DEED OF INDEMNITY is made at _____ this ____ day of _____,
_____ between _____, (*name of the*
Depository Participant) having address at _____

_____ of the **FIRST PART**
and _____

(*Name of the Depository Participant*)* (hereinafter referred to as "DP") having its registered office
at _____

_____ of the **SECOND PART** (*name of the DP who is
holding the BO/CM account to which the securities have been erroneously credited), and Central
Depository Services (India) Limited, (hereinafter referred to as "**CDSL**") having its registered
office at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg,
Lower Parel (E), Mumbai – 400013 of the **THIRD PART**.

1. **WHEREAS** we _____, (*name of the Depository Participant*) registered with CDSL under DP ID _____.
2. **AND WHEREAS** we had received an instruction on _____ for transferring _____ securities bearing International Securities Identification Number (ISIN) _____ to the credit of BO account bearing number _____ or CM account bearing number _____ and settlement ID _____ with CDSL or to an account with National Securities Depository Limited, with its Depository Participant bearing DP ID _____ and Client ID _____ / CM BP-ID _____ and Settlement ID _____ (target account).
3. **AND WHEREAS** we have now observed that while entering the BO / CM account number in the CDSL system, we have inadvertently entered an incorrect account number i.e. _____ instead of _____ OR we have now observed that we have inadvertently entered / uploaded this/these instructions multiple times in the CDSL system.
4. **and consequently** the securities have been transferred to a BO account to whom it was not intended to be credited by us or have been transferred in excess of the quantity mentioned by BO / CM in his instruction.
5. **AND WHEREAS** we have requested CDSL vide our letter dated _____ to inform the DP, _____ who is holding BO / CM

[for printing on Rs.500/- stamp paper]

account _____ to initiate necessary action for carrying out rectification reversing wrong entries effected by us, as mentioned in our aforesaid letter.

NOW THIS DEED WITNESSETH and in consideration of CDSL and _____, the DP (name of the DP who is holding the BO account to which the securities have been erroneously credited) having agreed to reverse/rectify the said entries on the faith and strength of the representation made by us, we agree to indemnify and keep indemnified and saved harmless CDSL and the aforesaid DP 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 DP 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 such reversal / rectification / modification / alteration of the electronic entries effected in accordance with the aforesaid.

IN WITNESS WHEREOF the _____
(*name of the Depository Participant*) has put his hands and seal on the day, month and year first hereinabove mentioned.

SIGNED AND DELIVERED by _____)

the within named Depository Participant:)

_____)

_____)

by the hand of its authorized representative)

_____)

in the presence of:)

_____)