

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

CIN: L67120MH1997PLC112443

Regd. Office: Unit No. A-2501, Marathon Futurex,
Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai 400013, Maharashtra, India

Tel: +91-22-6234 3000/3001

Website: www.cdslindia.com, **Email Id:** shareholders@cdslindia.com

POSTAL BALLOT NOTICE

[Pursuant to Section 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and applicable Circulars issued by the Ministry of Corporate Affairs, from time to time]

To,

The Members/Shareholders,

Central Depository Services (India) Limited

Notice is hereby given that pursuant to the provisions of Section 108 & 110 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), read with the Companies (Management and Administration) Rules, 2014 (**"the Rules"**), applicable provisions of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 [**"SEBI (D&P) Regulations"**], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), Secretarial Standard-2 (**"SS-2"**) on General Meetings issued by the Institute of Company Secretaries of India, read with General Circular No. 09/2024 dated September 19, 2024, No. 17/2020 dated April 13, 2020 and No. 14/2020 dated April 08, 2020 and any other relevant circulars issued in this respect by the Ministry of Corporate Affairs, Government of India (**"the MCA Circulars"**), and subject to any other applicable laws, rules and regulations {including any statutory modification(s) and re-enactments(s) for the time being in force}, to transact the following Special Business by the Members of Central Depository Services (India) Limited (**"the Company"**) by passing the Ordinary Resolution appended below, through Postal Ballot process by remote e-voting (voting by electronic means). An Explanatory Statement under Section 102(1) of the Act, setting out the material facts along with the reasons/rationale thereof is annexed to the Postal Ballot Notice (**"Notice"**).

In accordance with the provisions of the MCA Circulars and other applicable laws and regulations, the Company is sending this Notice in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories and whose names appear in the Register of Members/List of Beneficial Owners as received from M/s. Link Intime India Private Limited, the Company's Registrar and Transfer Agent (**"Link Intime"/"RTA"**) as on **Wednesday, November 13, 2024 ('Cut-Off Date')**. **A physical copy of this Notice along with Postal Ballot forms and pre-paid business reply envelope are not being sent to the Members of the Company.**

In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Section 108 and 110 of the Act, read with the Rules, the Company has engaged the services of Link Intime for the purpose of providing e-voting facility to its Members. The instructions for e-voting are appended to this Notice.

SPECIAL BUSINESS

- To consider and ratify the appointment of Shri Nehal Vora (DIN: 02769054) as a Managing Director & Chief Executive Officer of the Company and approve the remuneration alongwith other terms & conditions.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and 178 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 26 and 28 and other applicable provisions of the SEBI (Depositories and Participants) Regulations, 2018, the Articles of Association, Nomination and Remuneration Policy of the Company and other letters/circulars/procedure or

Internal

any other statutory directives issued by SEBI from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and basis the approval received from SEBI vide its letter dated August 29, 2024 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to ratify the appointment of Shri Nehal Vora (DIN: 02769054) as Managing Director & Chief Executive Officer (MD & CEO), Key Managerial Personnel of the Company, not liable to retire by rotation, to hold office for a period of five years or attaining the age of 65 (sixty-five), whichever is earlier, effective from his commencement of second term i.e. from September 18, 2024 upto September 17, 2029.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and basis the approval received from SEBI vide its letter dated November 13, 2024, approval of the Members be and is hereby accorded for the remuneration payable to Shri Nehal Vora during his second term as MD & CEO, Key Managerial Personnel of the Company along with other terms & conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members be and is hereby accorded that the remuneration payable to Shri Nehal Vora, MD & CEO, Key Managerial Personnel of the Company shall not exceed the limits as specified in the relevant Sections of the Companies Act, 2013 read with rules made thereunder, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any other laws as applicable to the Company.

RESOLVED FURTHER THAT pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the Members be and is hereby accorded that if the remuneration payable/paid to Shri Nehal Vora, MD & CEO, Key Managerial Personnel of the Company exceeds the prescribed limits as per the Companies Act, 2013 or the Company has no profits or inadequate profits during a financial year, then in such case the remuneration payable/paid to the MD & CEO shall be subject to necessary statutory and regulatory approvals.

RESOLVED FURTHER THAT Shri Nehal Vora, while acting in the capacity of MD & CEO, Key Managerial Personnel of the Company will be entrusted with the powers, authorities, functions, duties, responsibilities etc. as decided by the Board of Directors of the Company, from time to time.

RESOLVED FURTHER THAT Board of Directors except Shri Nehal Vora, MD & CEO, Shri Girish Amesara, Chief Financial Officer and Head Human Resource, Smt. Nayana Ovalekar, Chief Regulatory Officer and Shri Nilay Shah, Company Secretary and Head Legal be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors
For **Central Depository Services (India) Limited**

Sd/-

Nilay Shah
Company Secretary & Head Legal
Membership No. ACS-20586

Place: Mumbai

Date: November 13, 2024

Registered office:

Unit No. A-2501, 25th Floor, Marathon Futurex,
Mafatlal Mills Compound, N. M. Joshi Marg,
Lower Parel (E), Mumbai 400013.
CIN: L67120MH1997PLC112443

Internal

NOTES:

Explanatory Statement and Director seeking appointment:

1. The Explanatory Statement pursuant to the provisions of Section 102(1) of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Secretarial Standard – 2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India setting out material facts relating to the proposed resolution is annexed hereto and forms part of this Notice.
2. Brief profile and other requisite details about the appointment/re-appointment of Director pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India is set out in the **Explanatory Statement** which forms part of this Notice.

Electronic Copy of Notice:

3. The Notice will also be placed on the website of the Company at www.cdslindia.com and on the e-voting website of RTA at <https://instavote.linkintime.co.in>. The Notice can also be accessed from the website of the Stock Exchange i.e., National Stock Exchange of India Limited at www.nseindia.com.
4. The Company is sending this Notice in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories and whose names appear in the Register of Members/List of Beneficial Owners as received from Link Intime as on **Wednesday, November 13, 2024 ('Cut-Off Date')**. Those Members who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in this Notice under Note No. 17.
5. After dispatch of Notice of Postal Ballot through e-mail, advertisement shall be published in one English Daily Newspaper having nation wide circulation and one in Marathi Newspaper having wide circulation in the district where the Registered Office of the Company is situated and will also be uploaded under the **"Investor Relations"** section of the Company's website at www.cdslindia.com

Scrutinizer:

6. The Board of Directors of the Company at its Meeting held on October 26, 2024, appointed Shri Vatsal Doshi, (FCS 12399 & CP No. 22976) of M/s. Vatsal Doshi & Associates, Practicing Company Secretaries, to act as the Scrutinizer for conducting the Postal Ballot through e-voting process in a fair and transparent manner.
7. The Scrutinizer will submit his report to Shri Balkrishna V. Chaulbal, Chairperson or any other person authorized by Chairperson, after completion of scrutiny of the e-voting, and the results of the Postal Ballot will be announced by the Chairperson or any other person authorized by him at the Registered Office of the Company within 2 (two) working days of the conclusion of the Postal Ballot and will be displayed on the Company's website at www.cdslindia.com and on the e-voting website of RTA at <https://instavote.linkintime.co.in>. The results will simultaneously be communicated to the Stock Exchange i.e., National Stock Exchange of India Limited at www.nseindia.com and will also be displayed on the Notice Board of the Company at its Registered Office. The Scrutinizer's decision on the validity of the votes cast shall be final.

Authorised Representative:

8. Corporate/Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send legible scanned certified true copy (in PDF format) of its Board or Governing Board Resolution/Power of Attorney/Authorisation etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csvatsaldoshi@cadoshi.com with a copy marked to shareholders@cdslindia.com and may also upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document should be in "Corporate Name".

Remote e-voting:

9. In compliance with the provisions of Section 108 and 110 of the Act, read with Rule 20 and 22 of the Rules, Regulation 44 of the Listing Regulations and SS-2, the Company is providing e-voting facility to its Members, to enable them to cast their votes electronically. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date. **A person who is not a Member of the Company as on the Cut-Off Date should treat this Notice for information purpose only.** The detailed procedure with respect to e-voting is mentioned in Note no. 16 of this Notice.
10. The e-voting shall commence on **November 15, 2024 at 9:00 a.m. (IST) and shall end on December 14, 2024 at 5:00 p.m. (IST)**. The e-voting facility will be disabled by RTA immediately thereafter and the Members will not be allowed to cast their vote beyond the said date and time. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Internal

Inspection of Documents:

11. All the documents relating to appointment and remuneration will be available for inspection electronically until the last date of e-voting. Members seeking to inspect such documents can send an email to shareholders@cdslindia.com.

Reach to RTA for queries/grievances:

12. In case of any general queries/grievances, Members may refer to the Frequently Asked Questions (FAQs) for Members and InstaVote e-voting Manual available at <https://instavote.linkintime.co.in> under “Help” Section or reach on 022-49186000 (Extn: 2709).

Members may also reach out to Shri Rajiv Ranjan (AVP- e-voting) at 022- 49186000 (Extn: 2505) or email at rajiv.ranjan@linkintime.co.in or enotices@linkintime.co.in.

Resolution passed through e-voting:

13. The resolution, if passed by the requisite majority, shall be deemed to have been passed on the last date specified for e-voting and as if it has been passed at a General Meeting of the Members conveyed in that behalf.

General Information for Members:

14. The formats for Nomination and Updation of KYC details in accordance with the SEBI Circular are available on the website of the RTA at the link <https://liiplweb.linkintime.co.in/KYC-downloads.html> and under “Investor Relations” section of the Company’s website at the link <https://www.cdslindia.com/InvestorRels/ShareholderCorner.html#section7>
15. In order to increase the efficiency of the voting process and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, demat account holders are being provided a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Individual Demat account holders would be able to cast their vote without having to register again with the e-voting service providers, thereby not only facilitating seamless authentication but also for ease and convenience of participating in the e-voting process.

16. Procedure for E-Voting:

- I. ***Login method for Individual Members holding securities in demat mode is given below:***

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	<u>METHOD 1 – If registered with CDSL Easi/Easiest facility</u> ➤ Users who have registered for CDSL Easi/Easiest facility. a) Visit URL: https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com . b) Click on New System Myeasi c) Login with user id and password d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period. e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
	<p style="text-align: center;">OR</p> ➤ Users who have not registered for CDSL Easi/Easiest facility. a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration b) Proceed with updating the required fields. c) Post registration, user will be provided Login ID and password. d) After successful login, user will be able to see e-voting menu. e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

	<p>METHOD 2 - By directly visiting the e-voting website of CDSL.</p> <ol style="list-style-type: none"> Visit URL: https://www.cdslindia.com Go to e-voting tab. Enter Demat Account Number (BO ID) and PAN No. and click on "Submit". System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account. After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
Individual Members holding securities in demat mode with NSDL	<p>METHOD 1 - If registered with NSDL IDeAS facility</p> <p>➤ Users who have registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login". Enter user id and password. Post successful authentication, click on "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p style="text-align: center;">OR</p> <p>➤ User who have not registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with updating the required fields. Post registration, user will be provided with Login ID and password. After successful login, click on "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p>METHOD 2 - By directly visiting the e-voting website of NSDL</p> <ol style="list-style-type: none"> Visit URL: https://www.evoting.nsdl.com/ Click on the "Login" tab available under 'Shareholder/Member' section. Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
Individual Shareholder login through their demat accounts/Website of Depository Participants ("DP")	<p>Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with CDSL/NSDL for e-voting facility.</p> <ol style="list-style-type: none"> Login to DP website After Successful login, Members shall navigate through "e-voting" tab under Stocks option. Click on e-voting option, Members will be redirected to CDSL/NSDL site after successful authentication, wherein you can see e-voting menu. After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Note: Shareholders who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depositories/depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Members holding securities in demat mode who need assistance for any technical issues related to login through Depositories i.e., CDSL and NSDL:

Members facing any technical issue - CDSL	Members facing any technical issue – NSDL
Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or contact at 022 – 48867000 or 022 - 2499 7000.

II. **Login method for all Members other than Individual Members holding securities in demat mode is given below:**

Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>

2. Click on **"Sign Up"** under **'SHAREHOLDER'** tab and register with your following details: -

A. User ID:

Shareholders holding shares in NSDL* demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN:

Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI:

Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)

D. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **NSDL form, shall provide 'D' above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHAREHOLDER'** tab.

4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour/Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour/Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Guidelines for Institutional shareholders (“Corporate Body/Custodian/Mutual Fund”)

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under “Corporate Body/Custodian/Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person’s email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
 - a. ‘Investor ID’ -
 - b. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
 - c. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.*
 - d) ‘Investor’s Name - Enter full name of the entity.
 - e) ‘Investor PAN’ - Enter your 10-digit PAN issued by Income Tax Department.
 - f) ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- g) Click on Submit button and investor will be mapped now.
- h) The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting.

The corporate shareholders can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
- f) After selecting the desired option i.e., Favour / Against, click on ‘Submit’.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘**No**’ and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

METHOD 2- VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select '**View**' icon for '**Company's Name/Event number**'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour/Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

FORGET PASSWORD OPTION FOR NON-INDIVIDUAL SHAREHOLDERS:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the Shareholder can use the "Forgot Password" option available on the e-voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'Corporate Body/Custodian/Mutual Fund' tab and further Click 'forgot password'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

HELPDESK:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Procedure for Registration of email addresses with the Company/Depositories:

17. Members who have not registered their e-mail addresses with the Company/Depositories are requested to register their e-mail addresses by contacting the concerned Depository Participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 20 & 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS FORMING PART OF THE NOTICE

The following statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 1

Regulatory Provision and Background:

Pursuant to Regulation 26(3) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 ("SEBI D&P"), the appointment of the Managing Director shall be for a term not exceeding five years, for a maximum period of ten years, subject to a maximum age limit of 65 (sixty-five) years. Shri Nehal Vora was appointed as MD & CEO of Central Depository Services (India) Limited ["CDSL"/"the Company"] for first term of five years which commenced from September 24, 2019, and ended on September 17, 2024.

In view of the same, the Company had initiated the process for selection of candidates for the position of MD & CEO in accordance with the standard operating process, as laid down by the Securities and Exchange Board of India ("SEBI") under SEBI D&P, Nomination & Remuneration Policy ("NRC Policy"), circulars, letters, emails, and notifications issued thereunder.

Recruitment process and appointment of Independent External Persons:

Spencer Stuart India Private Limited, the recruitment agency was appointed to shortlist candidates for the position of MD & CEO and they also conducted background verification of the shortlisted candidates. Further, No-Objection Certificate was taken from the shortlisted candidates in compliance with SEBI letter. Subsequently, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), approval from the Board of Directors ("Board"/"Governing Board") and SEBI, the following persons were inducted as Independent External Persons ("IEP") into the NRC for the limited purpose of recommendation relating to the selection of MD & CEO:

- i. Shri K Chandrachoodan, Retired RBI Officer and
- ii. Prof. Rishikesha Krishnan, Director & Professor of Strategy, Indian Institute of Management Bangalore

Pursuant to Regulation 26 read with Part C of Second Schedule of SEBI D&P, a newspaper advertisement inviting applications for the post of MD & CEO was published in between from January 24, 2024, till January 30, 2024 having all India Edition in Times of India, Economic Times, Maharashtra Times, Financial Express, Mint and also on the website of the Company.

Following due process and evaluating the shortlisted candidates, the NRC recommended names, without any order of preference, to the Governing Board for approval and subsequent submission to SEBI.

Approvals and correspondences with SEBI:

SEBI vide its letter dated August 29, 2024, accorded its approval for the appointment of Shri Nehal Vora as the MD & CEO of the Company for a period of 5 (five) years or attaining the age of 65 (sixty-five) years whichever is earlier. The Company had intimated the same to the stock exchange i.e. National Stock Exchange of India Limited.

Pursuant to the said letter, it was advised to submit a detailed compensation to SEBI including specified amounts of Variable Pay and Total Pay as prescribed under Regulation 28 and Norms for Compensation Policy specified under SEBI D&P. Thereafter, several correspondences were exchanged between the Company and SEBI for the said purpose.

Recommendations of NRC and Governing Board:

The NRC and Governing Board at its meeting held on September 13, 2024 approved the appointment including the terms and conditions subject to the ratification by the Shareholders of the Company. Accordingly, the second term of 5 (five) years has been effective from September 18, 2024, upto September 17, 2029.

Subsequently, NRC and Governing Board at its meeting held on October 19, 2024, approved the remuneration to be paid to Shri Nehal Vora, MD & CEO subject to the approval of the Shareholders.

Remuneration-SEBI Approval:

A proposal was submitted to SEBI in the interim, until the new remuneration for the MD & CEO is approved by SEBI, to allow monthly salary payments to Shri Nehal Vora MD & CEO based on his last drawn salary. SEBI approved this arrangement directing that any change approved in the new remuneration shall be adjusted by way of arrears/decrease in the remuneration effective from September 18, 2024, and be implemented in the immediately subsequent month.

SEBI vide its letter dated November 13, 2024, has approved the remuneration to be paid to MD & CEO. The said remuneration proposed by the Company is within the prescribed limits of Section 196, 197 and Schedule V of the Act. The Company is in compliance with the regulatory framework and compensation norms prescribed in compensation policy of CDSL in accordance with the SEBI D&P.

Expertise and Skill sets possessed:

The core skill sets/expertise as identified by the Board to be collectively possessed by the Board of Directors of the Company in the context of the Company's business includes Capital Markets, Finance and Accountancy, Legal and Regulatory practice, Technology, Risk Management and Management or Administration. Shri Nehal Vora possesses skill sets such as Capital Markets, Financial and Accountancy, Legal and Regulatory practice, Technology, Risk Management and Management or Administration.

Confirmations:

Shri Nehal Vora, has given his consent to act as MD & CEO of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any order from SEBI or any other authority. Shri Vora also satisfies the conditions set out in Part-I of Schedule V to the Act.

Shri Nehal Vora satisfies the fit and proper criteria as specified in Regulation 23 of the SEBI D&P and is not associated with any depository participant, trading member, clearing member nor is member of any depository participant or their associates or agents in terms of Regulation 24 (9), (10) and (12) read with Regulation 2(1)(c) of the SEBI D&P.

Terms and conditions of his appointment are as follows:

- The appointment of MD & CEO shall be subject to the prior approval of SEBI and shall be in line with the approval granted by SEBI.
- The appointment of MD & CEO shall be for a period of 5 years or as approved by SEBI.
- The appointment shall be subject to the following:
 - (a) The terms and conditions of the remuneration of the MD & CEO shall not be changed without the prior approval of SEBI.
 - (b) The contract for compensation of the MD & CEO shall provide for the following –
 - The variable pay component shall be within a range of 25% to 50% of the total pay (i.e. fixed pay, other allowances and variable pay) variable pay to be linked to the performance of the MD & CEO and the Company in terms of the Key Performance Indicators (KPIs) set by the Governing Board and in case if the performance is not satisfactory then Company may choose not to pay any variable pay.
 - Fifty percent of the variable pay shall be paid on a deferred basis after a minimum period of three years.
 - ESOPs and other equity-linked instruments shall not be offered or provided as part of the compensation as per the provisions of SEBI (Depositories & Participants) Regulations, 2018. However, the same may be offered if permitted by SEBI and in the manner prescribed by SEBI from time to time.
 - The compensation policy shall have malus and clawback provisions.
- The appointment may be terminated at any time by either party giving to the other party three months' notice in writing of such termination or on payment of an amount equivalent to salary in lieu of such notice.
- There will be a mandatory cooling-off period of 1 year which would be provided, post the expiry of the tenure as MD & CEO, before joining any other Depository. However, the same can be waived or relaxed after obtaining approval from the Governing Board.
- The MD & CEO shall not be liable to retire by rotation.
- No sitting fee shall be payable to MD & CEO.
- During the currency of the MD & CEO's tenure, if the remuneration payable/paid exceeds the prescribed limits or the Company has no profits or inadequate profits during a financial year, then in such case the remuneration payable/paid shall be subject to necessary statutory and regulatory approvals.
- The MD & CEO shall manage the business and affairs of the Company under the overall supervision and guidance of the Governing Board.
- The MD & CEO shall at all times abide by all the requirements and regulations prescribed by SEBI.
- The MD & CEO shall at all times abide by the policies and code of conduct of the Company and other terms and conditions of the appointment.
- The MD & CEO shall not be eligible for severance pay unless approved by the Governing Board and SEBI.
- The terms and conditions would be considered as amended/modified basis the directives/amendments carried out by SEBI from time to time.

Remuneration of MD & CEO:

Fixed Pay:

The Fixed pay component of the remuneration payable to the MD & CEO including basic pay, house rent allowance, medical allowance, additional allowance, provident fund contribution, leave travel allowance and gratuity shall be fixed at ₹ 3,69,02,012 as tabulated below:

Sr. No.	Particulars	Amount in ₹
A.	Basic	15,38,000
B.	HRA	7,69,000
C.	Medical Allowance	50,000
D.	Additional Allowance	3,84,430
E.	Monthly Gross	27,41,430
F.	PF Employer Contribution [A * 12%]	1,84,560
G.	Gross Salary + PF Employer Contri.	29,25,990
H.	Yearly Total [G*12]	3,51,11,880
I.	LTA	9,02,824
J.	Gratuity	8,87,308
K.	Annual Fixed Pay [H+I+J]	3,69,02,012

Annual Increment:

Annual increment shall be decided by the NRC and the Governing Board, every year from FY 2025-26 upto 15% on the annual fixed pay, considering the performance parameters of the MD & CEO based on his Key Result Areas (KRAs) and on various factors outlined in SEBI (Depositories & Participants) Regulations, 2018.

Variable Pay:

- The Governing Board based on the recommendation of the NRC shall fix the actual variable pay in each year based on the performance of the Managing Director & CEO and the Company, in terms of the Key performance indicators (KPIs) set by the NRC and the Governing Board including parameters prescribed under SEBI (Depositories & Participants) Regulation, circulars, as amended from time to time by SEBI. Further the performance appraisal for increment and deciding the variable pay shall be conducted by the NRC and recommend the same to the Governing Board to approve along with other employees on financial year basis, i.e. April to March.
- The total variable pay for the performance of the MD & CEO for any financial year shall be within a range of 25% to 50% of total pay (i.e. fixed pay, other allowances and variable pay) for the respective financial year, as prescribed in Part – D of second schedule of SEBI (Depositories & Participants) Regulations, 2018, the compensation policy (Nomination & Remuneration Policy of CDSL) and SEBI clarification letter dated March 11, 2024 on minimum variable pay at 25% of total pay or such other amendments as made by SEBI from time to time.
- Fifty percent of the variable pay shall be paid on recommendation of the NRC and the Governing Board and the balance fifty percent to be paid on a deferred basis after three years.
- The entire variable pay is subject to the provision of malus and claw back as per the Compensation Policy and the SEBI (Depositories & Participants) Regulations, 2018.

Benefits and Perquisites:

In addition to the fixed pay and variable pay, the MD & CEO shall be eligible for benefits and perquisites as mentioned below:

- Company provided Car and Driver.
- Petrol and fuel charges at actuals.
- Mobile phone instrument, mobile monthly bill payment and internet charges reimbursement.
- Group Mediclaim Insurance for Self, Spouse and Children up to ₹ 50,00,000 sum assured.
- Group Term Life Insurance for Self as per the Company policy.
- Group Personal Accident Insurance for Self.
- Annual Health Checkup for Self & Spouse.

- viii. Laptop.
- ix. Corporate Club membership and personal expenses up to ₹ 3,00,000 per annum for the corporate club.
- x. Any other reimbursements and benefits shall be applicable in line with the CDSL Service Rules.

Other Terms of Remuneration:

- i. ESOPs and other equity-linked instruments in the Depository shall not be offered or provided as part of the compensation as per the provisions of SEBI (Depositories & Participants) Regulations, 2018. However, the same may be offered if permitted by SEBI and in the manner prescribed by SEBI from time to time.
- ii. The compensation policy shall have malus and clawback provisions, as per SEBI (Depositories & Participants) Regulations, 2018.
- iii. The compensation payable to the MD & CEO shall be as approved by SEBI and the terms and conditions of the compensation of the MD & CEO will not be changed without prior approval of SEBI.
- iv. The following events shall be deemed to be “Events of Default”. If the company declares and if MD receives a variable pay in any financial year, then the company shall be entitled to claw back both the paid variable pay and the deferred variable pay on the occurrence of any of the following events of default.
 - a. The accounting/financial statements of the Company have been arrived at through any fraudulent practice.
 - b. The accounting/financial statements of the Company have been prepared negligently or show false and/or inaccurate picture of the state of affairs of the Company or did not disclose any material particulars or details which had adverse bearing on the financial position of the Company during his tenure.
 - c. Any embezzlement or misappropriation of assets/funds of the Company by the MD & CEO has been noticed during the period of incumbency or the Deferment period for the acts done by MD & CEO during his tenure.
 - d. Part of any loan or advance availed by the MD & CEO remains unpaid.
- v. In the event of any Events of Default set out hereinabove appear to the Company to have occurred at any time during the Deferment Period, the Company shall be entitled to not only adjust the deferred variable pay but shall also be entitled to call upon the MD & CEO to repay to the Company the paid variable pay and in such event he/she shall permit the Company to adjust the deferred variable pay and shall pay back to the Company paid variable pay.
- vi. If the Company considers that there is any Events of Default set out hereinabove, the Company may, in its discretion, at any time prior to the MD & CEO deferred variable pay is paid, decide that some or all of the MD & CEO’s deferred variable pay (which is subject to this malus and clawback provision) will be reduced, held back. Provided however that before the Company exercising its right under this clause, it shall refer the matter to a Committee of Public Interest Directors for deciding whether the Event of Default has occurred or not and thereafter the Committee shall give him an opportunity of being heard. If found guilty, the quantum of recovery shall be recommended by the said committee to the Governing Board.
- vii. The NRC and Governing Board may restructure the compensation payable to MD & CEO from time to time in accordance with the regulations prescribed by SEBI and any other laws applicable to the Company, subject to the overall remuneration and prior approval of SEBI.

Disclosure of Interest:

Except Shri Nehal Vora and his relatives to the extent of shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution except to their shareholding interest, if any.

Recommendation to Shareholders:

In terms of Regulation 17(1C) of the Listing Regulations, the listed entity shall ensure that approval of Shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Therefore, the Board recommends the Ordinary Resolution set forth in Item No. 1 for approval by the Members of the Company.

Brief Profile and other requisite details of Shri Nehal Vora, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are provided as an Annexure to this Notice.

ANNEXURE

PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS

Name of the Director	Shri Nehal Vora
DIN	02769054
Age	51 years
Qualifications	Master of Management Studies degree in Finance from Narsee Monjee Institute of Management Studies, University of Mumbai and Bachelor of Commerce, Mumbai University.
Experience / Brief Resume / Nature of Expertise	<p>Shri Nehal Vora is the Managing Director & Chief Executive Officer of Central Depository Services (India) Limited (CDSL), India's leading Depository. With over 25 years of extensive experience in the Indian Securities Markets, he has held significant roles at esteemed organizations such as BSE, DSP Merrill Lynch, and SEBI before joining CDSL in September 2019.</p> <p>Under Shri Vora's visionary leadership, CDSL has become the trusted custodian of over 13 Crore demat accounts and has the distinction of being Asia's first and only Depository to be listed on a Stock Exchange.</p> <p>His leadership has propelled CDSL to a global stature, bringing home prestigious accolades like the 'Central Securities Depository of the Year' at the Asset Servicing Times – Industry Excellence Awards 2023 and the 'Highly Recommended Market Infrastructure Institution of the Year' at the Regulation Asia Awards 2023. Further recognition came in the form of the Tech Circle Business Transformation Award for excellence in digital execution in October 2023, alongside the Innovation Award for 'Digital & Market Leadership' at the Custodian Inaugural Leaders in Custody Asia awards by Global Custodian in May 2023. Furthermore, the Company was recently awarded as 'Market Infrastructure of the Year' at the 2024 Regulation Asia Awards for Excellence.</p> <p>Acknowledged for his outstanding contributions, he has received numerous accolades, including the Global Custodian Legend Award, Asia, in May 2024, the prestigious CEO of the Year Asia 2024 award by the Asia Asset Management awards, along with prior recognitions such as the CEO of the Year at the 20th Global Edition Business Leader of the Year Awards in 2022. He is also a recipient of the Vocational Excellence Awards presented by the Rotary Club of Bombay Seaface.</p> <p>He has also been the recipient of distinguished awards including NetApp Innovation Award 2019, Compliance Champion award in 2018, IDC Digital Transformation Awards under the Dx Leader Information FOW Global Investors Group at the Asia Capital Markets Awards in 2017 for Best New Product in Market Surveillance. At DSP Merrill Lynch, he was awarded OGC Living the Mission Award in 2008 by Merrill Lynch.</p> <p>Shri Nehal Vora's engagement extends beyond CDSL as he actively contributes to shaping the regulatory landscape through his active participation in various SEBI policy committees and advisory groups. He chairs the Working Group on Market Data Advisory Committee (MDAC) for Secondary Markets. He is a member of other SEBI committees such as the FPI Advisory Committee, Market Data Advisory Committee, Corporate Bonds and Securitization Advisory Committee (CoBoSAC), Secondary Market Advisory Committee (SMAC), and the IFSCA Expert Committee on Secondary Markets. He is also a member of the Advisory Council of NISM.</p> <p>With his profound expertise, commitment for investor education, Shri Nehal Vora strives to drive innovation and excellence for building a resilient Indian Securities Markets.</p>

Terms and Conditions of Appointment	As per the resolution set out in Item No. 1 of the Notice read with the Explanatory Statement.
Remuneration proposed to be paid	As per the resolution set out in Item No. 1 of the Notice read with the Explanatory Statement.
Remuneration last drawn	₹ 4,44,25,530/- (as on March 31, 2024)
Date of first appointment on the Board	September 24, 2019
Shareholding in the Company including shareholding as a beneficial owner	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
Number of Meetings of the Board attended during the year commencing from April 01, 2024*	11
Directorship on other Boards including Listed Entities	NIL
Membership / Chairmanship of Committees of other Boards	NIL
Listed Entities from which the Director has resigned in the past three years	NIL

* Includes meetings held till October 31, 2024.

By Order of the Board of Directors
For **Central Depository Services (India) Limited**

Sd/-
Nilay Shah
Company Secretary & Head Legal
Membership No. ACS-20586

Place: Mumbai

Date: November 13, 2024

Registered office:

Unit No. A-2501, 25th Floor, Marathon Futurex,
Mafatlal Mills Compound, N. M. Joshi Marg,
Lower Parel (E), Mumbai 400013.
CIN: L67120MH1997PLC112443