



# Central Depository Services (India) Limited

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## COMMUNIQUE TO REGISTRAR & TRANSFER AGENTS

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CDSL/L&CS/RTA/POLCY/2022/192

November 9, 2022

### AMENDMENT TO CDSL BYE LAWS

Issuers / RTA's are hereby informed that amendment(s) have been carried out in CDSL Bye Laws with respect to the following:

- i. Arbitration platform provided by CDSL pursuant to circulars issued by SEBI
- ii. Annexure B (DP agreement) to CDSL Bye Laws with respect to consequences in assignment process in case a show cause notice has been issued to a DP (owing to alleged non-compliance of Bye Laws/agreement) or the termination proceedings of such DP are initiated by CDSL.
- iii. Annexure E (Issuer Agreement) and F (Tripartite Agreement between CDSL, Issuer and RTA) to CDSL Bye Laws with respect to preservation of records by Issuer/ RTA.

The said amendments have been enclosed as Annexure A to this communicate.

Issuers / RTAs are advised to note that, the attached amendments will come into effect immediately.

Queries regarding this communiqué may be addressed to CDSL – Legal - (022) 2305-8564. Emails may be sent to: [legalteam@cdslindia.com](mailto:legalteam@cdslindia.com)

Sd/-

Nilay Shah

Group Company Secretary & Head Legal

## ANNEXURE A

| Clause               | Existing provision                                                                                                                                                                                                                                                            | Amended provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CDSL Bye Laws</b> |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                      | No existing provision                                                                                                                                                                                                                                                         | <p>12.11. <sup>157</sup>[Subject to the provisions of any other law, the Issuer/ RTA shall preserve records and documents for a minimum period of eight years in addition to the documents required to be maintained in accordance with the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (as amended from time to time) including demat/remat of securities, demat of new issues, corporate actions, reconciliation of ISIN balances. Provided that the Issuer/ RTA shall preserve and maintain respective original forms of documents as prescribed under the Operating Instructions for Issuer/ RTA (as amended from time to time), both in physical and electronic form, copies of which have been taken by Central Bureau of Investigation, Police or any other enforcement agency during course of any investigation or enquiry conducted by them till the trial is completed.]</p> <p><sup>157</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> |
| 22.15.1.             | 22.15.1. Where and in so far as an Award is for the payment of a sum of money, the arbitrator may adjudge in the Award the interest to be paid on the principal sum adjudged, for any period prior to the institution of the Arbitration proceedings and may also adjudge the | 22.15.1. Where and in so far as an Award is for the payment of a sum of money, the arbitrator may adjudge in the Award the interest to be paid on the principal sum adjudged, for any period prior to the institution of the Arbitration proceedings and may also adjudge the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Clause | Existing provision                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Amended provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>additional interest on such principal sum at such rate as is deemed reasonable for the period from the date of the institution of the Arbitration proceedings to the date of the Award and further interest on the aggregate sum so at such rate as is deemed reasonable from the date of the Award to the date of payment. If the Award is silent on interest, the Award shall carry interest @ (12%) p.a. from the date of the Award to the date of payment.</p> | <p><i>additional interest on such principal sum at such rate as is deemed reasonable for the period from the date of the institution of the Arbitration proceedings to the date of the Award and further interest on the aggregate sum so adjudged</i> <sup>261</sup><b>[shall be in compliance with Arbitration and Conciliation (Amendment) Act, 2015.]</b> If the Award is silent on interest, the Award shall carry interest <sup>262</sup><b>[in compliance with Arbitration and Conciliation (Amendment) Act, 2015]</b> from the date of the Award to the date of payment.</p> <p><sup>261</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> <p><sup>262</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p>                                                                                                         |
|        | <p>No existing provision</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>22.21.2 <sup>263</sup><b>[A party aggrieved by the Arbitral Award may file an appeal before the Appellate Arbitrator by paying such fees as may be prescribed by the Arbitration Committee from time to time in addition to the statutory dues (stamp duty, service tax etc.) along with the appeal.</b></p> <p><i>The above bye law 22.1 to 22.20.1 shall be applicable to Appellate Arbitration.]</i></p> <p>22.21.3 <sup>264</sup><b>[In case award amount is more than Rs. 50 lakh (Rs. Fifty lakh), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if desired by any of the party involved. The additional statutory cost for arbitration, if any, to be borne by party desirous of shifting the place of arbitration.]</b></p> <p><sup>263</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> |

| Clause                                 | Existing provision                                                                                                                                             | Amended provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|                                        |                                                                                                                                                                | <sup>264</sup> Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Annexure B to CDSL Bye Laws</b>     |                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                        | No existing provision                                                                                                                                          | <p>26.2.<sup>16</sup> <i>[It is hereby clarified that CDSL reserves the right to suspend any assignment process initiated by the Participant or revoke any consent provided in furtherance of any assignment application during the pendency of any proceedings pursuant to issuance of showcause notice and/or termination notice issued under Clause 27.1. It is further clarified that CDSL is authorized to exercise any and all rights of and on behalf of the Participant which the Participant may be entitled to under any assignment or supplementary agreement executed by such Participant with any third party/proposed assignee.]</i></p> <p><sup>16</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> |
|                                        | No existing provision                                                                                                                                          | <p>29.8. <sup>20</sup><i>[Upon issuance of a show-cause notice to a Participant under Clause 27.1, CDSL reserves the right to suspend until the pendency inquiry, any rights, which if the Participant exercises may prove to be detrimental to the interest of CDSL and/or beneficial owner including but not limited to assignment rights.]</i></p> <p><sup>20</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p>                                                                                                                                                                                                                                                                                                  |
| <b>Annexure E to the CDSL Bye Laws</b> |                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 9.7.                                   | 9.7. The Issuer shall in all cases retain the DRF with it for such period as may be specified by law in that behalf subject to a minimum period of five years. | <p>9.7. The Issuer shall in all cases retain the DRF with it for such period as may be specified by law in that behalf subject to a minimum period of <sup>13</sup><i>[eight]</i> years.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Clause                                 | Existing provision                                                                                                                                 | Amended provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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|                                        |                                                                                                                                                    | <sup>13</sup> Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC 2/P/OW/2022/55147/1 dated 31.10.2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 10.4.                                  | 10.4. The Issuer shall retain the RRF with it for such period as may be specified by law in that behalf subject to a minimum period of five years. | <p>10.4. The Issuer shall retain the RRF with it for such period as may be specified by law in that behalf subject to a minimum period of <sup>19</sup><i>[eight]</i> years.</p> <p><sup>19</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                        | No existing provision                                                                                                                              | <p><b>17. Maintenance of Records</b></p> <p>17.1. <sup>24</sup><i>[Subject to the provisions of any other law, the Issuer/ RTA shall preserve records and documents for a minimum period of eight years in addition to the documents required to be maintained in accordance with the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (as amended from time to time). Provided that the Issuer/ RTA shall preserve and maintain respective original forms of documents, both in physical and electronic form, copies of which have been taken by Central Bureau of Investigation, Police or any other enforcement agency during course of any investigation or enquiry conducted by them till the trial is completed.]</i></p> <p><sup>24</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> |
| <b>Annexure F to the CDSL Bye Laws</b> |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Clause | Existing provision                                                                                                                                         | Amended provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| 9.7.   | 9.7. The RTA shall in all cases retain the DRF with it for such period as may be specified by law in that behalf subject to a minimum period of five years | <p>9.7. The RTA shall in all cases retain the DRF with it for such period as may be specified by law in that behalf subject to a minimum period of <sup>14</sup><i>[eight]</i> years</p> <p><sup>14</sup> Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 10.4.  | 10.4. The RTA shall retain the RRF with it for such period as may be specified by law in that behalf subject to a minimum period of five years.            | <p>10.4. The RTA shall retain the RRF with it for such period as may be specified by law in that behalf subject to a minimum period of <sup>21</sup><i>[eight]</i> years.</p> <p><sup>21</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|        | No existing provision                                                                                                                                      | <p><b>17. Maintenance of Records</b></p> <p>17.1. <sup>26</sup><i>[Subject to the provisions of any other law, the RTA shall preserve records and documents for a minimum period of eight years in addition to the documents required to be maintained in accordance with the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (as amended from time to time). Provided that the Issuer/ RTA shall preserve and maintain respective original forms of documents, both in physical and electronic form, copies of which have been taken by Central Bureau of Investigation, Police or any other enforcement agency during course of any investigation or enquiry conducted by them till the trial is completed.]</i></p> <p><sup>26</sup>Amended vide SEBI letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2022/55147/1 dated 31.10.2022</p> |