Central Depository Services (India) Limited

Convenient ⌖ Dependable ⌖ Secure

CHAPTERS

September 2026

CDSL : *your depository*

OPERATING INSTRUCTIONS FOR ISSUERS & REGISTRAR & TRANSFER AGENTS

September 2026

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Abbreviation (in alphabetical order)	**Expansion of Abbreviation**
A I & C	Audit Inspection & Compliance Department
AOA	Articles of Association
ACA	Auto Corporate Action
BOD	Board of Directors
BO	Beneficial Owner. (A Beneficial Owner / entity means a person whose name is recorded as such with a Depository)
BO ID	Unique Identification/Account Number of the Beneficial Owner
CDSL	Central Depository Services (India) Limited
Communiqué	Communication / Circulars sent by CDSL to DPs
Demat	Dematerialisation
DP	Depository Participant. (A Depository Participant is one who is admitted or "registered" as such by SEBI under Section 12 of the SEBI Act 1992 and CDSL, as a DP. A DP shall, for all practical purposes, be an agent of CDSL, performing functions assigned to it by CDSL).
DP ID	Unique Identification Number of the Depository Participant
DRF	Dematerialisation Request Form
DRN	Dematerialisation Request Number
ED	Executive Director
EOD	End of Day
FII	Foreign Institutional Investor
FPO	Follow-on Public Offer
INSTANCE	Each case where the non-compliance or violation is observed
Inter-depository transactions	Transactions done for transfer of eligible securities from an account held in one depository to an account held in another depository
IPO	Initial Public Offer
ISIN	International Securities Identification Number. (An ISIN is a code, which uniquely identifies specific securities of Issuers and is allotted, at the time of admission, in Depositories)

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Abbreviation (in alphabetical order)	**Expansion of Abbreviation**
ISSUER	Any person or entity making an issue of securities
MC	Member committee
MD	Managing Director
MICR	Magnetic Ink Character Recognition
MOA	Memorandum of Association
NRI	Non-Resident Indian (residential status of an individual as defined in the Income Tax Act, 1961)
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
OCCASION	The event during which the non-compliance or violation is observed example: Inspection
RBI	Reserve Bank of India
Remat	Rematerialisation
RRF	Rematerialisation Request Form
RRN	Rematerialisation Request Number
RTA	Registrar & Transfer Agent
SEBI	Securities and Exchange Board of India
SEQUENCE NUMBER	Unique ID allocated by the CDSL system for each IPO / CA
SOD	Start of the Business Day
TPRF	Transposition Request Form
TRF	Transmission Request Form

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CHAPTER 1 DEMATERIALISATION OF EXISTING SCRIPS

CHAPTER 2 REMATERIALISATION OF SECURITIES

CHAPTER 3 DEMATERIALISATION OF NEW ISSUES

CHAPTER 4 CORPORATE ACTIONS

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CHAPTER 7 PENALTY STRUCTURE FOR RTAs

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1 DEMATERIALISATION OF EXISTING SCRIPS

1.1 Objectives

1.1.1 Dematerialisation is the process, which enables BOs to convert their existing holdings of securities in physical form to electronic form and hold the same in their accounts with CDSL.

1.2 Reference to Law

1.2.1 **Depositories Act, 1996**

- Section 6 - Surrender of certificate of security

1.2.2 **SEBI (Depositories and Participants) Regulations, 2018**

- Regulation **41** - Depository to declare specific securities eligible
- Regulation **42** - Securities eligible for Dematerialisation
- Regulation **43** - Agreement between Depository and Issuer
- Regulation **54** - Records to be maintained
- Regulation **70** - Agreement by Issuer
- Regulation **74** - Manner of surrender of Certificate of Security

1.2.3 **CDSL Bye laws**

- Bye - Law 13.2 – Dematerialisation

1.2.4. **Prevention of Money Laundering Act, 2002**

- **Rule 6 : Retention of Records**

1.3 Annexures

- Annexure 1.1 - Dematerialisation Register
  (Format of Register suggested to be maintained by Issuer/RTA)
- Annexure 1.2 - Indemnity for securities lost in transit.
- Annexure 1.3 - Format of letter for rejection of pending demat request

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1.4 Procedure

1.4.1 Issuers/RTAs are advised to devise appropriate controls over the processing activities to ensure that only "*clean stock*" i.e. share certificates, which were genuinely issued by the Issuer, are dematerialised.

$Beneficial Owner (BO)s, who are the registered holders of the securities of an Issuer, will approach the RTA / Issuer with Investor Service Requests (ISR) as prescribed by SEBI, such as issuance of duplicate securities certificates, transmission, transposition, claim from unclaimed suspense account , corporate actions, Renewal / Exchange of certificates, Endorsement, Sub-division / Splitting of certificates, consolidation of certificates /folios and any other service request as prescribed by SEBI from time to time. RTA / Issuer shall credit such securities directly to the demat account of the BO/s after necessary due-diligence by RTA / Issuer While processing said type of investor requests, RTA / Issuer shall hand over a Demat Request Form (DCRF) to the BO/s. (Annexure 1.4)

The BO/s shall fill up the following details in the DCRF:-

- **BO Account Number**
- **Name(s) of the account holder(s)**
- **ISIN**
- **Name of the Company**
- **Nature of Security**
- **Type of Security**
- **Number of Certificates**
- **Total quantity to be dematerialised**
- **Certificate Details: Folio No., Distinctive Nos., Certificate No/s., Number of Securities, Face Value.**
- **Lock-in reason & Lock-in release date, if any.**
- **Latest Client Master List (CML) of demat account not be older more than 2 months and DCRF form should be duly attested by the DP official.**

A separate DCRF should be filled up for free securities and lock-in securities. If certificates with different lock-in reason / lock-in release date exist, then a separate DCRF should be filled for each lock-in reason / expiry date combination.

The BO account holder(s) shall sign the DCRF: -

- **As per the specimen signature(s) recorded with the RTA/Issuer.**

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- **The BO shall also surrender the physical certificates to be dematerialised along with the duly filled DCRF to the RTA / Issuer.**

The RTA / Issuer shall verify the following before accepting the DCRF :-

- **Whether the securities intended for Dematerialisation have been admitted in CDSL.**
- **If the securities intended for dematerialisation are not admitted in CDSL, the RTA / Issuer shall inform the same to BO/s and return the documents to the BO/s.**
- **Whether the certificate details mentioned on the DCRF and on the certificates enclosed are matches or not.**
- **Whether the name(s) of the account holder(s) and the name(s) of the holder(s) appearing on the certificates tally exactly with those recorded under the BO account maintained with CDSL.**
- **In case the BO/s name on the DCRF is not matching with that on the certificate/s, process as mentioned in the "Controls to be maintained for verification of data by Issuer/RTA" to be followed the dematerialisation request could be accepted by the RTA, if the BO/s signature on the DCRF.**
- **Whether all the holders have signed the DCRF and the signatures of the account holders tally with those recorded by the RTA / Issuer.**
- **If there is any discrepancy in any of the details, the RTA / Issuer shall get it rectified and duly authenticated by all the holders.**
- **The error-free DCRF shall be taken up for further processing by the RTA / Issuer.**

The RTA/Issuer shall check the Distinctive Numbers of certificates of securities submitted by the investor/s for dematerialisation with the records of Distinctive Numbers made available. Subsequent to processing of service request, the RTA / Issuer shall deface on the dace / reverse of the submitted certificates by affixing a rubber stamp as shown below. The RTA / Issuer should take proper care that the stamp is affixed in such a manner that no material information such as Distinctive number, Folio number, Certificates number, etc., are smudged or become illegible.

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Securities issued in Dematerialisation form
RTA Name: XYZ Limited
BO ID **:** 12012000 00001234
DP ID Client ID

The RTA / Issuer shall mutilate the certificates, by punching two holes at the top of the certificate(s). The original DCRF is to be maintained by the RTA / Issuer for its own reference and records.

For issuance of duplicate certificates, the RTA / Issuer shall retain the physical securities (if available, e.g. in case of torn / decrepit/mutilated etc.) and deface the certificate as mentioned above. In case of loss of certificate, since the physical certificate is not available, there is no requirement of defacing.In case of the securities which are required to be locked in, the RTA, while crediting the securities in the demat account of the security holder/claimant, shall incorporate the lock-in and its period.

The DCRF and certificates shall be sent back to the BO's by RTA / Issuer within 7 days under a rejection Memo, specifying the reason for rejection. The reasons under which a dematerialisation request can be rejected by RTA / Issuer shall be as provided in the CDSL system from time to time.

Transposition-cum-Dematerialization

- **Transposition is "Change in order of names". For example, if the certificates are in the names of A & B, the same can be lodged for dematerialization under account held in the name of B & A, by filling up the DCRF and the Transposition Request Form (TPRF) as per Annexure 1.4a. This will enable the RTA/Issuer to transpose the securities in the order of the names in which the account is opened and then accept the dematerialization request.**
- **In case of transposition-cum-dematerialisation, the BO should mention the details of the demat account in which they wish to dematerialise the securities.**
- **The RTA /Issuer shall verify the following on the TPRF:**
- **Whether the TPRF is complete.**
- **Whether the TPRF contains only those names (in any order) that are the holders of the BO account.**

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- **Whether all the holder(s) have signed the TPRF.**
- **The RTA / Issuer should maintain a copy of the TPRF along with a copy of the DCRF.**

Transmission – cum - Dematerialization

- **In case of death of one or more joint holders, the surviving holder(s) can get the Share Certificate(s) dematerialized by submitting the following documents, along with the Share Certificate(s):–**
- **DCRF with selection of the option "Transmission-cum- Dematerialization"**
- **Original or copy of the death certificate of the deceased holder(s). If copy of death certificate is submitted the same should be duly notarized or attested by a Gazetted Officer. The RTA / Issuer should ensure that the demat account is in the name of the surviving holders only.**
- **RTA / Issuer should setup a demat request and obtain all the documents necessary documents as mentioned in SEBI Circular dated January 30, 2026 .**

RTA / Issuer should write in the "FROM BO ID" column as "Transmission-cum-Demat".

Post creation of the request for demat conversion in the depository system by RTA / Issuer, a One Time Password (OTP) shall be sent as a SMS to the registered mobile number of client as available in CDSL system and email to the registered email id of the securities' holder for verification. This OTP shall be valid for a period of 21 calendar days.

On confirmation of the OTP through the link by the securities holder, the RTA shall receive electronic confirmation for the respective demat conversion request. Subsequently, RTA may proceed with the confirmation of the demat conversion request in the CDSL system. If OTP confirmation is not received till 21 calendar days, CDSL will cancel demat conversion in the depository system and RTA has to upload the demat conversion again in the CDSL system.

The RTA / Issuer shall verify and process the service requests and issue securities to the securities holder / claimant in dematerialized form, directly in

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demat account of securities holder / claimant, within 30 days of its receipt of such request after removing objections, if any.

The RTA / Issuer shall intimate to securities holder (s) / claimant (s) about successful dematerialization of the securities, within 30 days of receipt of such request.

No service request shall be entertained by the Issuer or its Registrar and Transfer Agent except when submitted by security holder/claimant.

Depository shall send an intimation to the demat account holder regarding successful dematerialisation of the securities.

1.4.2 The Issuer/RTA can access the data immediately after the demat request is set-up by the DP. Each demat request is identified by a unique Demat Request Number (DRN).

1.4.3 The Issuer/RTA, on receipt of certificates and Demat Request Form (DRF) from DP shall capture the date of receipt of the same against the DRN in the front-end system and will confirm to CDSL electronically through its front-end system. In case of transposition-cum-dematerialisation, the Issuer/RTA shall receive the Transposition Request Form along with the DRF. Similarly in the case of transmission - cum – dematerialization, the Issuer/RTA shall receive the Dematerialization Request Form along with the Original or copy of the death certificate of the deceased holder(s), duly notarized or attested by a Gazetted Officer. The date of receipt should also be mentioned on the physical copy of the DRF.

1.4.4 The Issuer/RTA should verify the BO sub-status for the ISIN to be dematerialised in case the BO has different sub-status for the ISIN.

1.4.5 The RTA must ensure the request has been generated for the correct ISIN, where the Issuer has issued more than one security and has more than one ISIN.

1.4.6 In case of transposition-cum-dematerialisation, the Issuer/RTA shall ensure that the transposition form contains those combination of names in which the BO account has been opened.

1.4.7 Once a demat request is received physically, the Issuer/RTA will record the details in its back-office registers maintained either in physical or electronic form. (Refer to Annexure 1.1 – Demat-Register)

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1.4.8 On receipt of both electronic and physical request, Issuer/RTA initiates processing of the Dematerialisation request.

1.4.9 Issuer/RTA verifies whether the DRN, BO ID, ISIN, quantity, number of certificates, etc. as mentioned on the DRF and as received electronically from CDSL, tally. The Issuer/RTA also verifies the signatures of BOs on the DRF with the signatures recorded by him. The Issuer/RTA also checks whether the DRF is authorised by the DP. In case of any discrepancy, the Issuer/RTA must reject the request under the relevant system-defined REJECTION CODE.

1.4.10 In case RTA receives the securities for dematerialization having the old name of the company on the certificate, then following steps are advised -

- RTA is advised to check for the name of the company on CDSL website wherein details of old and new name of the company are available.
- If the new name is available on the said website and DP's verification stamp on the DRF, and RTA can accept the physical certificates having the old name on the physical certificate/s without the sticker or certificate of the company's new name and process the dematerialization requests.
- RTA can also accept dematerilization request/s of securities with old name, if the same is accompanied printout of with change of company name from MCA portal.
- Further, RTA can also confirm the name change of the Issuer name with the Issuer and process the request after checking all the other checks.

1.4.11 If the details do not tally between electronic and physical request, the Issuer/RTA informs the DP and the DRF and certificates are sent back to the DP under rejection.

Controls to be maintained for verification of data by Issuer/RTA.

- Match all the details on the DRF with the master data in the Register of Members of the Issuer.
- Name Matching: SEBI, in its meeting held on December 17, 1998, directed that in case the BO's name on the DRF is not matching with that on the certificate, (for example, the holder of the securities may have opened the depository account in the name of Sushil Ramesh Shah but his name on the certificate may appear as Sushil R. Shah or S.R. Shah, etc.), the Dematerialisation request could be accepted by the DP and processed by the Issuer/RTA, if the BO's signature on the DRF matches with his specimen signatures available on records with the DP.

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- The Issuer/RTA will perform an additional check against its internal database of lost, stolen or forged certificates and include these indicators against the respective data record.
- The Issuer/RTA can capture the date of receipt of physical certificates & the DRF into the CDSL database, this activity can be done without the verification process. However, the status of the request remains as Setup only. (The capturing of date of receipt will not be construed as receipt of all documents / certificates by the Issuer/RTA.
- Acceptance / Rejection at the verification stage is entered into the CDSL system after the above steps have been performed. Appropriate reason / code of rejection must be specified against the quantity under mismatch, so as to enable the DPs to identify the error.
- In case of multiple reasons for rejection, each such rejection reason should be recorded.
- Issuers/RTAs should reject certificates carrying any changes in BO ID (contained in the defacing stamp) on certificates, if they are not authenticated by the DP.
- Issuers/RTAs should check whether the stamp "surrendered for demat" along with DP Name, DP ID and BOID on the certificates, is affixed properly.
- After all the details are verified, the Issuer/RTA shall "Verify" the DRN in the CDSL system. Part verification and part rejection is also permitted.

  Eg.1. If 500 securities are received, 300 can be "verified" and 200 can be "rejected". In such a case, the status of the DRN will change to "Verified"

  Eg. 2: If 500 securities are received, 200 can be verified, 200 can be rejected. 100 securities can be verified at a later stage. In such a case, the status of the DRN will remain as "Setup". However, unless the remaining 100 securities are rejected / verified, the "confirmation" cannot be given to 200 securities which are "verified".

1.4.12 The Issuer/RTA shall then process the valid certificates/documents for dematerialisation by transferring the registered ownership of securities to the name of Central Depository Services (India) Limited, and update its Register of Members. (Except those securities where the title of which is under dispute, or those where fake/forged/stolen certificates are received).

1.4.13 The Issuer/RTA will capture the confirmation / rejection details against an ISIN under a DRN and update the same into the CDSL database as under:

- Quantity received by Issuer/RTA.

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- Quantity accepted by Issuer/RTA. If the securities are under "lock-in", a system-defined reason for the lock-in should be specified.
- Quantity rejected by Issuer/RTA with rejection reasons, as pre-defined by the system.

1.4.14 The rejected certificates shall be returned by the Issuer/RTA to the concerned DP. (in case of forged certificates, the RTA shall not return the certificates to the DP, but shall send only the rejection letter). The rejection will be treated as complete only after the Issuer/RTA has mailed the rejection letter along with respective certificates and the relevant documents (e.g. copy of court order, etc.) to the DP, within seven (7) days of rejection of the request.

1.4.15 For releasing the confirmation against a DRN, the entire quantity of securities under a given DRN must be accounted by the Issuer/RTA i.e. part confirmation or part rejection cannot be released. In other words, under a given DRN, unless the total of accepted quantity and rejected quantity is equal to the requested quantity, DRN confirmation cannot be released to CDSL.

1.4.16 The Issuer/RTA can accept part of the quantity of securities received for dematerialisation and reject the remaining quantity.

1.4.17 The DRN, against which the Issuer/RTA has captured the verification details, will then be updated in the CDSL database as confirmed. On a successful "commit" by Issuer/RTA, the balances in the BO account would be activated.

1.4.18 The physical certificates may be destroyed or stored as per the requirements of Issuers.

1.4.19 The dematerialisation process must be completed within a period of 15 days from the date of physical receipt of the DRF by the Issuer/RTA or as specified by CDSL from time to time.

1.4.20 In cases where the physical certificates have not been received by the Issuer/RTA even after 30 days (or as stipulated by CDSL from time to time) from the date of generation of the DRN, the RTA may reject the demat request under appropriate pre-defined system rejection reason.

1.5 Procedure to be followed in case securities are lost in transit

1.5.1 In cases where DP has generated the DRN but physical securities have not been received by the Issuer/RTA even after 30 days from the date of generation of the DRN, the following procedure will be followed -

a) The Issuer/RTA is required to contact the DP for despatch details of the physical securities.

b) On receipt of proof of despatch from DP and after confirming that the securities have

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not been received undelivered at the DP's end,

- the Issuer/RTA is required to accept the demat request based on the Indemnity given by the DP along with a proof of despatch of the certificates / documents pertaining to the said DRN. The Format of the Indemnity shall be as per Annexure – 1.2.
- In cases where the Issuer/RTA has rejected the demat request due to non receipt of physical certificates the Issuer/RTA is required to accept the new DRN set up by the DP for the same based on fresh demat request form and duly executed Indemnity submitted by the DP along with proof of despatch of the certificates /documents pertaining to the old DRN.

1.5.2 In case of loss of certificates in transit, the Issuer/RTA shall ensure that the Indemnity is not accepted for such cases, where the Issuer/RTA has rejected the DRN for such reasons, where demat cannot be accepted. The rejection reasons could be Fake / Forged certificates / Court Orders / Duplicate Certificates already issued, etc.

1.6 Procedure for withdrawal of demat request :

1.6.1 Issuers/RTAs would receive the following documents from the BO –

- Letter, in the format given in Annexure 1.3, requesting for rejection of the pending demat request
- Letter giving the DRN details duly signed and stamped by the DP.

1.6.2 Based on the above letters, the Issuer/RTA should reject the demat request electronically and intimate the DP and BO of the rejection of the demat request.

1.7 Procedure for Issuance of Securities in dematerialized form:

RTA has to follow the procedure as mentioned in SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022 /8 dated January 25, 2022 below for crediting the securities to the holder/claimant in case of the following service request.

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1. Issue of duplicate securities certificate
2. Claim from Unclaimed Suspense Account
3. Renewal / Exchange of securities certificate
4. Endorsement
5. Sub-division / Splitting of securities certificate
6. Consolidation of securities certificates/folios
7. Transmission
8. Transposition

i. RTA shall obtain the physical shares and in case of point nos. 3 to 8 the for processing of service request and intimate to the the investor.

ii. Thereafter verify the service request and issue a "Letter of Confirmation"

iii. Confirmation letter should have the name and PAN all of the holder/s mentioned on it and as per the format provided.

iv. This letter shall be sent through Registered / Speed Post or through email with a digitally signed letter.

v. RTA shall send reminder letter at the end of 45 days and 90 days from Annexure - A CDSL DP Operating Instructions 2 the date of Issuance of Confirmation Letter

vi. RTA shall ensure that the investor submits the demat request, within 120 days i.e. from the date as mentioned in the issue of Letter of Confirmation, to Depository participant (DP) along with the Letter of Confirmation

1.7.1 The Issuer/RTA, on receipt of confirmation letter and Demat Request Form (DRF) from DP, shall capture the date of receipt of the same against the DRN in the front-end system and will confirm to CDSL electronically through its front-end system. or by way of upload

1.7.2 RTA shall verify and process the demat request procedure as mentioned in Operating Instructions 1.4 above, apart from the certificate mutilation procedure, since there will not be any certificates in this case

1.7.3 In case of non-receipt of demat request from the investor within 120 days of the date of Letter of Confirmation, the shares should be credited to Suspense Escrow Account of the Company.

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1.7.4 In case the investor submits the necessary details of the demat account to the Issuer /RTA. Issuer / RTA will verify the documents as required by the Issuer / RTA to confirm it is the claimant is same BO and will submit the necessary corporate action document for debiting the Escrow account of the respective issuer and Crediting the BO account

1.8 Controls

The Issuer/RTA must ensure that -

- The process of dematerialisation is in conformity with the procedure mentioned above and does not in any way violate the provision of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, and CDSL Bye- Laws.
- Demat requests are processed (either confirmed or rejected), within a period of 15 days from the date of physical receipt of the DRF by the Issuer/RTA.
- It shall be the duty of the Issuer/RTA to ensure that nobody is able to perpetrate a fraud with the system. Access to the CDSL system must be given to authorised employees only.

1.9 Reconciliation

The Issuer/RTA shall carry out Reconciliation on a daily basis, in respect of the following:

- CDSL holding to be reconciled with the quantity confirmed by the Issuer/RTA.
- **Total Demat requests pending** = Requests received electronically and physically + Requests received electronically only
- **Total Capital** = Physical Holdings + Electronic holdings in (CDSL + other Depository).
- **Total Demat requested (quantity)** = Total Confirmations (quantity) + Total Rejections (quantity) + Pending (quantity)

1.10 Records

1.10.1 The original DRF and the supporting documents such as TRPF, Transmission form, death certificate etc. should be stored safely by the Issuer/RTA for a period of 8 years or any

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such period as specified by SEBI /CDSL/ Prevention of Money Laundering Act 2002, whichever is higher.

1.10.2 The RTA should maintain a record of all the rejections sent by him along with all the necessary documents such as copies of Court orders, Order of any Tribunal, etc.

1.10.3 The Issuer/RTA should maintain a control of all the Dematerialisation requests received and the respective status.

1.10.4 The Issuer/RTA shall maintain a proper record of the Back-ups taken on a daily basis.

1.10.5 Issuer/RTA should preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other enforcement agency during the course of any investigation, till the investigation is completed.

$Refer Communique no. CDSL/OPS/RTA/POLCY/2026/164 dated June 02, 2026

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2 REMATERIALISATION OF SECURITIES

2.1 Objectives

2.1.1 To convert the electronic balances of the BO into physical form.

2.2 Features

2.2.1 **Rematerialisation** is a process by which the electronically held securities, belonging to a particular BO, are converted into physical form.

2.3 Reference to Law

2.3.1 **Depositories Act – 1996**

- Section 14 - Option to opt out in respect of any security.

2.3.2 **SEBI (Depositories and Participants) Regulations, 2018**

- Regulation 47 - Withdrawal by participant.
- Regulation 61 - Transfer or withdrawal by Beneficial Owner

2.3.3 **CDSL Bye Laws**

- Bye Law 13.5 - Rematerialisation

2.3.4 **Prevention of Money Laundering Act, 2002**

- Rule 6: Retention of Records

2.4 Annexures

- Annexure 2.1 - Rematerialisation Register: Format of Register suggested to be maintained by Issuer/RTA.
- Annexure 2.2 - List of documents required to be submitted by various categories of Beneficial Owners for rematerialisation.

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Classification - Internal

2.5 Procedure

2.5.1 The Issuer/RTA should ensure that all the relevant documents, as given in Annexure 2.2, required for registering a new holder in the Register of Members, is submitted by the DP along with the Rematerialisation Request Form (RRF).

2.5.2 The Issuer/RTA can access the Remat requests once the DP has set-up the request into the CDSL system.

2.5.3 On receipt of the physical documents such as RRF, the Issuer/RTA electronically confirms receipt of the request.

2.5.4 The Issuer/RTA will record the details in its back-office Register maintained either physically or in electronic form (Annexure 2.1 – Rematerialisation Register).

2.5.5 The Issuer/RTA checks the RRF for the following details with the electronic intimation received. If the same does not tally, the Issuer/RTA may reject the remat request by selecting the appropriate reason code from the system-defined list of rejection codes.

- RRF Number
- RRN
- ISIN
- Name of the Issuer
- BO ID
- Quantity of securities to be rematerialised
- Name and Address of BO
- Whether the BO has opted for a Jumbo Certificate or a marketable lot and the denomination of the certificates in case the BO has opted for a Jumbo lot.

2.5.6 The Issuer/RTA can reject the rematerialisation for any of the system-defined reasons. If the details in the RRF tally with the electronic request, the Issuer/RTA will initiate the process of rematerialisation by confirming the remat request.

2.5.7 On confirmation of the Remat request, the corresponding accepted balance is reduced from that ISIN balance in the BO's Account.

2.5.8 The Issuer/RTA will take the following particulars on record, based on the RRF:

- Name of the Holder(s)
- Father's Name / Husband's Name of the first holder.
- Address
- PAN
- Tax Status
- Age
- Bank Account No.

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Classification - Internal

- Name of the Company
- Quantity of securities rematerialised
- Signature of all the holders mentioned in the RRF.
- Whether the securities are under lock-in.
- If yes, then the period up to which such securities are under lock-in and reasons for such lock-in
- Existing Folio Number, if any
- In case a Power of Attorney (POA) holder operates the BO's account, the true copy of the POA also will be taken on record.
- Other documents, if any

2.5.9 **Allocation of Folio Number**: - The Issuer/RTA may generate a folio number for the BO or give the existing folio number, if the BO is already holding the same type of securities of the same Issuer in the physical form.

2.5.10 In case the BO has an existing folio, the Issuer/RTA shall verify the signature on the RRF with the existing signature as per his records. If both the signatures match, then he will allot existing folio number for the rematerialised securities. In case the signatures do not match, then a fresh folio will have to be created for the securities rematerialised.

2.5.11 The Issuer/RTA shall record the name of the BO as the Registered Owner(s) of the rematerialised securities and debit CDSL in the Register of Members of the Issuer for the rematerialised quantity.

2.5.12 The Issuer/RTA shall print the physical certificates in the name(s) of Registered Owner(s). The new certificate numbers, distinctive numbers and denomination of each certificate will be noted against the folio of the Registered Owner.

2.5.13 The Issuer/RTA shall pay stamp duty on the Rematerialised Certificates as applicable to the issue of duplicate certificates, wherever applicable.

2.5.14 The Issuer/RTA shall send the printed certificates directly to the Registered Owner.

2.5.15 The Issuer/RTA shall complete the above process within a period of 30 days, from the date of receipt of the Remat Request form.

2.5.16 The Issuer/RTA shall reconcile its back-office records with the CDSL records for pending rematerialisation.

2.5.17 The Issuer/RTA while processing the remat request must ensure that the certificates printed on rematerialisation carry the legend "Issued on Rematerialisation".

2.5.18 Where the securities are under lock-in, the Issuer/RTA shall ensure that the lock-in release date is mentioned in the certificates rematerialised.

Public

Classification - Internal

Where the BO requests for remat of securities, acquired by him directly in demat form, the Issuer/RTA shall ensure that all relevant documents like the Memorandum of Association, Articles of Association, Power of Attorney and any other document are forwarded by the DP.

2.6 Reconciliation

2.6.1 The following reconciliation will have to be done on a daily basis by the RTA :

Remat Requests	Requests received both electronically and physically + Requests received only electronically but not received physically
Remat Pending	Remat quantity electronically received – Remat quantity accepted - Remat quantity rejected
Paid-up Capital	Electronic balances with CDSL + Electronic balances with the other Depository + Physical holdings by investors

2.7 Controls

2.7.1 Remat quantity cannot be more than the quantity held by the BO in his account.

2.7.2 The Issuer/RTA must ensure that the process of remat follows the above mentioned procedure and are in conformity with the provisions contained in the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018 and the Bye- Laws of CDSL.

2.8 Records

2.8.1 The Issuer/RTA shall maintain all RRF for a minimum period of 8 years or any such period as specified by SEBI /CDSL/ Prevention of Money Laundering Act 2002, whichever is higher.

2.8.2 The Issuer/RTA shall maintain record of the Folio Numbers, Distinctive Numbers and Certificate Numbers issued by it against any remat request.

2.8.3 Issuer/RTA should preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other enforcement agency during the course of any investigation, till the investigation is completed.

Public

Classification - Internal

3 DEMATERIALISATION OF NEW ISSUES

3.1 Objectives

3.1.1 To enable investors to obtain direct electronic credit of securities into their BO accounts, in response to a fresh issue of securities by an Issuer.

3.1.2 To allow Issuers to dematerialize all or a part of any issue of securities into CDSL without having to issue the certificates in the physical form as an interim step.

3.2 Reference To Law: -

3.2.1 **Depositories Act, 1996**

- Sections 8 - Option to receive security certificates or hold securities with depository.

3.2.2 **The Companies Act 1956**

- Section 113 – Issue of certificate of shares, etc.

3.2.3 **SEBI (Depositories and Participants) Regulation, 2018**

- Regulation 41 - Depository to declare specific securities eligible
- Regulation 42 - Securities eligible for dematerialization
- Regulation 43 - Agreement between depository and issuer
- Regulation 54 - Records to be maintained
- Regulation 43 & 70 - Agreement by Issuer

3.2.4 **CDSL Bye Laws**

- Bye - Law 13.2 - Dematerialisation

3.2.5 **Prevention of Money Laundering Act, 2002**

- Rule 6: Retention of records

3.2.6 **Annexures**

- Annexure 3.1 - Format for application by an Issuer for a New ISIN in case of an IPO

3.3 Procedure

3.3.1 The Issuer/RTA shall ensure that an ISIN has been allotted to the security.

3.3.2 The Issuer/RTA maintains a check that the Issue Application Forms have been correctly and completely filled up in all respects.

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3.3.3 While processing the Issue Application Form, the Issuer/RTA shall ensure that the BO details like BO ID, Name, Address, etc. are correctly captured.

3.3.4 The file that is uploaded by the RTA should be in the exact file format as specified by CDSL in this regard.

3.3.5 Subject to the Issue Application Form being complete in all respects, allotment to all investors, who have opted for allotment of securities in electronic form, should be done except for incorrect BO IDs.

3.3.6 The Issuer shall provide an option to all Investors in the "Issue Application Form" to subscribe to the securities either in physical form or in demat form, unless otherwise specified in the offer document.

3.3.7 Investors, who wish to have the new issue of securities in dematerialised form, will send the Issue Application Form, duly completed, along with the payment to the banks / collection centres appointed by the Issuer, as per the terms of the Issue.

3.3.8 If the Investor opts for allotment of securities in electronic mode, the investor shall fill up the following details in the Application form:

- Name of the Depository
- DP ID
- BO Account Number (Investor's account number with the DP)
- Name(s) of the holder(s)
- Total quantity applied
- Signature(s) of the applicant(s)
- Bank Account details

3.3.9 The Issuer/RTA shall on receipt of the application forms send a file containing the list of account numbers as captured from the Issue Application Forms to CDSL (in the format as prescribed by CDSL) for verification / validation.

3.3.10 The CDSL system checks whether the BO IDs are uploaded to CDSL to verify whether the BOID as entered by the BO is a valid ID and also to verify the status of the BO, i.e. BO is tagged for closure, BO is inactive, etc.

3.3.11 The details to be uploaded by the Issuer/RTA to CDSL for verification of the BOs should be in the following format:-

Field Name	Size
BO ID	X (16)

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The control record of BO Verification file should be in the following format: -

Field Name	Size
Number of records in the main file	9(10)

3.3.12 CDSL then verifies these details with its central database, and a BO Verification output file is generated at CDSL at EOD. The format of this file is:-

Field Name	Size
BO ID	X(16)
BO Category	X(40)
BO Type	X(40)
BO A / c Status	X(40)
BO Sub Status	X(40)
BO Name1	X(140)
BO Name2	X(140)
BO Name3	X(140)

3.3.13 This report file is available to the Issuer/RTA specifying the status such as: -

- BO is existing
- BO is non-existent (the BO name will be blank in this case)
- BO account is frozen
- BO account is tagged for closure, etc.

3.3.14 The Issuer/RTA then verifies the names of the BO as appearing on the Issue Application Form against the details downloaded by CDSL.

3.3.15 The Issuer/RTA may correct the errors and then, once again, submit the BO verification file to CDSL for matching. This process will continue till the file becomes error-free. The RTA is permitted to submit the file to CDSL any number of times. If there are still some records that are in error, the Issuer/RTA may proceed to allot the securities to such allottees in physical mode.

3.3.16 The Issuer/RTA then calculates the allotment on the basis of the allotment procedures outside the ambit of CDSL and generates an allotment data file.

3.3.17 In case of partial allotment in respect of any application, the refunds may be effected. The refunds will be handled outside the CDSL system.

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3.3.18 The Issuers/RTA electronically uploads this Allotment File to CDSL through the front end showing the account numbers of BOs to whom the electronic credit of the securities have to be made, this file shall contain the following details: -

Field Name	Size
BO ID	X(16)
Credit to Current free balance	9(12).3
Credit to Current lock-in balances	9(12).3
Lock-in reason code	9(2)
Lock-in reason	X(50)
Lock-in expiry date	9(8)
RTA Internal Reference Number	X(16)

3.3.19 The following will be the structure of control records of the "Allotment File"

Field Name	Size
No. of records in Main file	9(10)
Total current balance credits	9(12).3
Total lock-in memo Balance credits	9(12).3

3.3.20 The Issuer/RTA is required to give the effective date on which the allotment has to be made on his front end, at the time of submission of the Allotment File. On this date, the Allotment File is processed at CDSL and securities are actually credited into the respective BO Accounts. Uploads during day time are checked for control totals at the time of uploading.

3.3.21 At EOD on the effective date, CDSL will process the Allotment File and check whether the control records matches with the total number of records in the file. The following details from the control record in the Allotment File shall be checked: -

Field Name
No. of records in main file
Total current balance credits
Total lock-in memo balance credits

3.3.22 If any mismatch is found on verification of the control totals, the electronic allotment will

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be stopped and the files will be returned to the Issuer/RTA for rectification.

3.3.23 In respect of records where the BO status matches with the status in the file, credit will be given to the respective BO account as per the details specified in the Allotment File. The records that do not match due to some reason e.g. – closure of BO account, etc., the mismatches along with the reasons will be reported to the Issuer/RTA. The Issuer/RTA may issue physical securities in such cases.

3.3.24 All the mismatched cases will not be processed and the same will be reported to the Issuer/RTA. The Issuer/RTA may allot the securities in the physical form.

3.3.25 CDSL will send electronic confirmation to the Issuer/RTA and the DP, that the Allotment has been successfully completed. The report will give the following details to the Issuer/RTA: -

- BO ID
- BO Type
- BO Names
- Credit to free balance
- Credit to Lock-in balance

3.3.26 In respect of all investors who have been successfully given electronic credit, the Issuer/RTA enters the name of CDSL as the registered owner of the securities, in the Register of Members of the Issuer. Physical certificates are not printed for these cases.

3.3.27 The Issuer/RTA shall also inform the Investors of the allotment, payment schedule and allotment money details, refunds, etc., if any, as per the terms of the Issue.

3.3.28 The allotment schedules prepared for listing of the security on the Stock Exchange shall contain details of allotment in both the electronic form as well as in the physical form.

3.4 Reconciliation

3.4.1 The Issuer/RTA will reconcile its records as to the Allotment made for the respective BOs with his back office records. This reconciliation shall include:-

- **Total number of applicants in electronic mode** = Total successful allottees (electronic credit + physical credit in respect of mismatch cases) + Applications rejected

3.5 Instructions

3.5.1 For all securities eligible to be admitted in CDSL, the Issuer (where the Issuer has an in-house securities transfer department) will first have to enter into a bi-partite agreement

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with CDSL (as per the format prescribed in CDSL Bye-Laws). Where the Issuer has appointed a RTA for the transfer work, Issuer will enter into a tri-partite agreement with CDSL (as per the format prescribed in CDSL Bye-Laws).

3.5.2 The Issuer has to ensure that the Securities to be issued are pari passu with the securities already issued (if any). If the Securities are pari passu, then the allotment may be done in the existing ISIN.

3.5.3 If the Securities are non-pari passu, then the Issuer will have to apply to CDSL for allotment of a new ISIN. The format for the application, for a new ISIN, to CDSL is given as Annexure 3.1

3.6 Records

3.6.1 All documents are to be retained for a period of 8 years or any such period as specified by SEBI /CDSL/ Prevention of Money Laundering Act 2002, whichever is higher.

3.6.2 Records of application forms

3.6.3 Allotment details

3.6.4 Bank reconciliation statement

3.6.5 Details of securities allotted in electronic mode

3.6.6 Issuer/RTA should preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other enforcement agency during the course of any investigation, till the investigation is completed.

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4 CORPORATE ACTIONS

4.1 Objectives

4.1.1 To allow correct and efficient processing of cash and non-cash corporate actions.

4.1.2 The corporate action functionality deals with Capital increases via bonus and rights issues, calls, capital re-organizations through splits, mergers, acquisitions, amalgamations, conversions and cash disbursements, like dividends and interest on debentures.

4.1.3 The basic business processes which are supported by corporate actions are: -

- Corporate actions information provision
- Corporate actions processing
- Corporate actions reporting

4.2 Reference To Law

4.2.1 **Depositories Act, 1996**

- **Section 26 (2) (i) -** Power of depositories to make Bye-Laws on procedure to convey information to participants and BOs on dividend declaration, shareholder meetings and other matters of interest to the BOs.
- **Section 26 (2) (j) -** Power of depositories to make Bye-Laws on manner of distribution of dividends, interest and monetary benefits.

4.2.2 **SEBI (Depositories and Participants) Regulations, 2018**

- Regulation 42 - Securities eligible for dematerialization
- Regulation 78 - Information

4.2.3 **Bye-Laws**

- Bye Law 13.10 - Corporate Actions

4.2.4 **Prevention of Money Laundering Act, 2002**

- Rule 6 : Retention of Records

4.2.5 **Annexures**

- Annexure 4.1 - Format of BO holding Download by CDSL to the Issuer/RTA.
- Annexure 4.2 - Format of Allotment file to be uploaded by the Issuer/RTA

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4.3 Precautions

4.3.1 The Issuer/RTA should ensure that the Benefit ISIN has been admitted into CDSL.

4.3.2 In case the new securities to be issued are non-pari passu with the parent ISIN, then the Issuer has to apply to CDSL for a new ISIN. Once the new ISIN is allotted, it will be added to the ISIN-Master at CDSL. However, the allotment of non-pari passu ISIN, shall be subject to the SEBI circulars dated 18th February 2000 and 29th May 2000, which direct that the shares issued by companies should be pari-passu in all respects so that the same ISIN number could be used for allotment.

4.3.3 There are some exemptions for allotment of the non-pari passu ISIN which shall be in respect of :

- Partly-paid Shares
- Shares issued based on a resolution passed at the General Body meeting held on/or before February 18, 2000
- Shares issued on conversion of debentures/ bonds issued on/or before February 2000.

4.3.4 The Issuer/RTA shall furnish information about the corporate action to CDSL on the same day on which it is required to be furnished to any Stock Exchange where the said security is listed and in all other cases, in case the securities of the Issuer are not listed, the information shall be furnished within 7 days of the Issuer taking a formal decision in that behalf. In any case, the Issuer/RTA must setup the corporate action in CDSL system within such period as may be necessary to ensure that no BO loses any corporate benefits.

4.3.5 The RTA sets up the corporate action at the RTA front end through a corporate action set-up screen, well in advance, before the record date or book closure dates.

4.3.6 A corporate action can be modified by the Issuer/RTA on any of its fields or deleted till holding report is generated. If record date has been given while setting up the corporate action, then modification / deletion can be done till EOD of record date. If Book closure start date and Book Closure end date has been specified while setting up the corporate action, then modification / deletion can be done till EOD of one day prior to Book Closure start date.

- ❑ RTAs should ensure that Corporate Actions are set up correctly under the proper corporate action head/type. In case the RTA sets up the corporate action / IPO under the wrong head, the same is liable to be rejected by CDSL.
- ❑ For Issuers, all correspondence pertaining to corporate actions/IPO should be signed by the Company Secretary / Director / Compliance Officer / person authorised to sign as per the Board Resolution.

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- For RTAs, all correspondence pertaining to corporate actions/IPO should be signed by the Compliance Officer / Authorised Signatory.

4.3.7 The RTA should take proper precautions while setting up the corporate action and should verify the following details: -

- The Parent ISIN and the Benefit ISIN details
- Effective Date i.e. the date on which the corporate action has to be effected in the account of the BOs.
- Ratio, if any.
- If the record date falls on a CDSL specified holiday, then the Issuer / RTA will get the download at EOD of the previous date.

4.3.8 The Issuer/RTA should employ internal checks in his office to verify that the BO details in the corporate action allotment file are valid and correct.

4.3.9 The format of the allotment file for a corporate action should be as specified by CDSL.

4.3.10 The allotment for mismatched items should be made in physical form. Proper controls and checks should be in effect at the RTA office to ensure the same.

4.3.11 All Corporate Action benefits that may accrue in respect of securities that are held in the CM Unified Settlement Account (CM USA) / CM Clearing Member Account shall be availed of by the CM in trust for the benefit of the concerned BO and shall be dealt with in accordance with the Bye Laws and Regulations of the concerned Stock Exchange.

4.3.12 In respect of any fresh allotment of securities, SEBI, vide Press Release ref no. PR 16/2001 dated 17-01-2001 and SEBI Circular no. 35 dated September 29, 2003, has instructed that the Issuer shall submit an In-principle Listing Approval to the Depositories. The depositories will only thereafter enable dematerialisation of such securities.

4.4 Procedure

4.4.1 The Issuer/RTA shall setup the corporate action on CDSL system. Issuers/RTAs may set up Auto Corporate Action (ACA) or File Corporate Action on the system. The details to be entered while setting up a corporate action will change with the type of corporate action.

4.4.2 CDSL system allocates a unique 'Sequence Number' to each corporate action set-up. This number shall be used in all further activities for that corporate action.

4.4.3 Details of a corporate action set-up by an Issuer/RTA are available to DP for inquiry purpose only.

4.4.4 CDSL system will generate a 'Holding Report' on the specified date. This report is available to the Issuer/RTA on next business date. This report contains details of the BOs who have balance for the parent ISIN. Format of this report is as given in Annexure 4.1

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4.4.5 Based on this report, for File Corporate Action, the Issuer/RTA shall prepare the allotment file and upload the same to the CDAS system. For Auto Corporate Action, no allotment file is required to be submitted. The Issuer/RTA specifies an effective date, which is typically greater than the business date. During EOD of the effective date, for File Corporate Action, CDAS system does the Debit/ Credits as given in the allotment file. Format of the allotment file is given in Annexure 4.2. For Auto Corporate Action, CDAS system does the debit and credit based on the ratio entered by the Issuer/RTA at the time of setting up the corporate action. After process of allotment file / Auto Corporate Action, CDAS system generates a report for the Issuer/RTA giving details of success / failure of the allotments to the BO accounts.

4.4.6 If the entire Allotment credit file fails on the effective date, due to some mismatch in the length of the field or due to any other reason, the Issuer/RTA, after making the necessary corrections in the allotment file, can submit it to CDAS system for the same Corporate Action by giving a new effective date, which should be a future date than the Business date.

4.4.7 DPs will get a report, if any of their BOs get allotment.

4.4.8 The Issuer/RTA may give allotment in physical form for those cases where electronic allotments have failed.

4.4.9 Any fractional allotment which is settled in cash, is handled outside CDSL.

4.4.10 In respect of securities where CDSL receives a request for debit corporate action on account of redemption on or after the redemption date, the securities which are pledged, shall stand extinguished from the records of CDSL.

The above procedure is generally followed for all types of corporate actions. Details for each type of Corporate Action to be entered by the Issuer/RTA, are given below:

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4.5 Issue of Bonus shares

4.5.1 The following details of the Bonus are entered by the Issuer/RTA at the front end system: -

Corporate Action Type	
Parent ISIN	
Benefit ISIN / ISINs	
Ratio	
Record Date	
Book Closure From Date	
Book Closure To Date	
Effective date	
Remarks	

4.6 Issue of Rights shares

4.6.1 The Issuer/RTA shall furnish information about the rights issue to CDSL along with a copy of the offer document.

4.6.2 The following details are entered by the RTA: -

Corporate Action Type	
Parent ISIN	
Benefit ISIN / ISINs	
Ratio	
Call Amount	
Record Date	
Book Closure From Date	
Book Closure To Date	
Effective date	
Remarks	

4.6.3 The RTA sends the Rights Application Form to the BOs as per the list forwarded by CDSL and to other registered holders. BOs will fill the form and return the same to the Issuer/RTA.

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4.7 Payment of Calls

4.7.1 The RTA shall furnish information about the record date / book closure dates for the call, the details of call, namely, the parent ISIN and the new ISIN to CDSL along with a copy of the offer document.

4.7.2 The RTA inputs the following details of the call: -

Corporate Action Type	
Parent ISIN	
Benefit ISIN / ISINs	
Price	
Record Date	
From Date	
To Date	
Effective date	
Remarks	

4.7.3 After receiving the Holding Report from CDSL, the Issuer/RTA sends Call Notices to all the BOs specifying the Call Amount.

4.7.4 The RTA uploads a file to CDSL. This file contains the list of BOs who have paid the call money. The file format is as given in Annexure 4.2.

4.7.5 On the effective date, the quantity of securities is reduced from the parent ISIN to the extent of calls paid and an equivalent quantity is credited to the Benefit ISIN.

4.8 Mergers and Amalgamations

4.8.1 The RTA should ensure that both the ISINs are admitted to CDSL.

4.8.2 The RTA shall furnish information about the record date or the book closure for the corporate action to CDSL on the same day on which the corporate action information is sent to the concerned stock exchanges in which the said security is listed.

4.8.3 The following information is entered by the RTA:

Corporate Action Type	

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Parent ISIN	
Benefit ISIN / ISINs	
Ratio	
Record Date	
Book Closure From Date	
Book Closure To Date	
Effective date	
Remarks	

4.8.4 From the record date, CDSL shall freeze the balances of the parent ISIN across CDSL. No trading will be conducted in the Parent ISIN to be merged. The procedure for freezing of an ISIN will be followed for this purpose.

4.9 Non-pari passu to Pari passu

4.9.1 The following fields are to be entered by the Issuer/RTA.

Corporate Action Type	
Parent ISIN	
Benefit ISIN / ISINs	
Ratio	
Record Date	
From Date	
To Date	
Effective date	
Remarks	

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4.10 Cash Corporate Actions

The different types of Cash corporate actions are Dividends, Interim dividends and Debenture Interest.

4.10.1 Dividend

The following details are entered at the RTA front end: -

Corporate Action Type	
Parent ISIN	
Dividend	
Record Date	
From Date	
To Date	
Effective date	
Remarks	

4.10.1.1 CDSL downloads the list of BOs of the specified parent ISIN, as per its records, to the RTA at the EOD on the record date.

4.10.1.2 The Issuer/RTA shall distribute the dividend to the BO as per the details downloaded by CDSL on the record date.

4.10.1.3 As per SEBI Circular no. DCC/FITTCIR-3/2001 dated October 15, 2001 and SEBI Circular no. SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006, Issuers/RTAs have to compulsorily make payment of dividend through the ECS facility for the ECS notified centers. In case a BO has an account that is not in one of the notifed ECS centers or where MICR / Bank details are not available, then the procedure of mailing physical warrants could be continued.

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4.10.2 Interest on Debentures

4.10.2.1 The following details are entered at the RTA front end:

Corporate Action Type	
Parent ISIN	
Interest	
Record Date	
From Date	
To Date	
Effective date	
Remarks	

4.10.2.2 The Issuer/RTA shall distribute the interest to the debenture holder, as per the details downloaded by CDSL on the record date.

4.11 Reconciliation

Total Issued Capital	=	Total allotment in Electronic form + Total Allotment in Physical Form.
Total Allotment in physical form	=	Total requests for physical certificates + Total mismatched items in electronic form.
Total credits to CDSL as per Record Date download (e.g. Bonus or Issues resulting in credit to an ISIN in CDSL system)	=	Issues through electronic form + Issues Physically (based on BO requests)
In case of calls, the Total of Parent ISIN + the Benefit ISIN after Corporate Action credit is equal to quantity as per Record Date download.		

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4.12 Records to be maintained

4.12.1 All records are to be maintained for 8 years or any such period as specified by SEBI /CDSL/ Prevention of Money Laundering Act 2002, whichever is higher.

4.12.2 Subscription forms in case of Rights Issue, etc.

4.12.3 Bank reconciliation statements for non-cash corporate actions where subscription money / call money is received.

4.12.4 Allotment details.

4.12.5 Issuer/RTA should preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other enforcement agency during the course of any investigation till the investigation is completed.

4.13 Instructions

4.13.1 The Issuer/RTA shall verify if there is any frozen quantity at BO level examine the reasons thereof and take necessary action about distribution of corporate benefits.

4.13.2 The Issuer/RTA shall check bank details, wherever furnished by the BO, and in cases where it is not provided, the warrant shall be mailed to the address of the BO.

4.13.3 In case of Auto Corporate Action, the Issuer/RTA should check the failure report and put a separate Corporate Action (file) for all such failed cases, after obtaining necessary approvals.

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5 RECONCILIATION OF ISIN BALANCES

5.1 Objectives

5.1.1 To enable the Issuer/RTA to confirm that the ISIN balances as per CDSL tally with its back office records.

5.1.2 The CDAS system shall furnish the Issuer/RTA with ISIN-wise balances including the quantity of securities dematerialized / rematerialised, on a daily basis, to enable the Issuer/RTA to confirm the same to CDSL.

5.2 Reference To Law

5.2.1 Depositories Act, 1996

- Section 13 : Furnishing of information and records by Depository and Issuer

5.2.2 SEBI (Depositories and Participants) Regulation, 2018

- Regulation 44 : Systems and procedures.
- Regulation 75 : Reconciliation.

5.2.3 CDSL Bye-Laws

- Bye-Law 12.5 : The Issuer or its RTA shall, on a daily basis, reconcile with CDSL, the records in respect of balances of dematerialized securities with Beneficial Owners and confirm to CDSL, the total security balances both in physical as well as in dematerialized form in its books. *[Provided however that, in case where RBI or the Central or State Government is the Issuer of any security, CDSL shall on a daily basis reconcile the records in respect such securities held in the BO accounts with the statement of balances as may be provided by RBI or the Central or State Government from time to time.]*
- Bye Law 16.1.2 : Every participant shall reconcile its records with CDSL on a daily basis.
- Bye Law 16.1.3 : CDSL shall intimate the Issuers or its RTA all security balances of the Issuer held in dematerialized form with CDSL at the end of the day and the said balances will be reconciled by the Issuer or its RTA, on a daily basis.

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5.2.4 **Prevention of Money Laundering Act, 2002**

- **Rule 6 : Retention of records**

5.2.5 **Annexures**

- Annexure 5.1 - Suggested Format of Reconciliation Register

5.3 Precautions

5.3.1 The Issuer/RTA must ensure that all Interdepository Transactions have been given effect to, before confirming the ISIN balances to CDSL.

5.3.2 The Issuer/RTA must also ensure that all the requests for Dematerialisation/ Rematerialisation have been duly updated in the Register of Members of the Issuer, before the requests are confirmed to the CDSL system.

5.3.3 The Issuer/RTA has to give the confirmation to CDSL in respect of the ISIN balances within 1 working day of the information being made available to them.

5.4 Procedure

5.4.1 CDSL shall, on a daily basis, generate a Reconciliation Report for the Issuer/RTA at the Beginning of Day (BOD).

5.4.2 In the CDSL system a reconciliation module is provided which shall furnish the information of the ISIN balances and the Dematerialisation / Rematerialisation confirmed to CDSL as of last EOD.

5.4.3 It is suggested that the Issuer/RTA maintains a Register, as per the format suggested in Annexure 5.1, for recording the reconciliation figures.

5.4.4 This information shall be available per ISIN serviced by the Issuer/RTA. The Issuer/RTA has to verify the information with the back office records to ensure the following:

- Opening balance is the Confirmed Balance by the Issuer/RTA as of yesterday or last confirmation date.
- The Issuer/RTA must verify whether the Dematerialisation / Rematerialisation confirmed quantity is equal to the total quantity confirmed by the Issuer/RTA as of last EOD.
- Similarly, the Issuer/RTA must verify whether the Interdepository Transfer IN and OUT confirmed quantity is equal to the total quantity confirmed by the Issuer/RTA as of last EOD.
- In case there are any Corporate Action debits / credits before last EOD, the Issuer/

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RTA has to verify the same for the quantities debited or credited to that ISIN.

- The Closing Balance for that ISIN should be equal to the Depository Folio maintained in the ROM (Register of Members) of the Issuer.

5.4.5 The Issuer/RTA has to explicitly confirm whether the ISIN balances tally.

5.4.6 If the Issuer/RTA confirms the same as YES, then he agrees to the figures given by CDSL and if he confirms negatively, then he has to enter his own figures individually in the CDSL front-end system for all the items given in the Reconciliation Screen.

5.4.7 In case there is any discrepancy in the balances, the Issuer/RTA must first identify where the difference has occurred and verify the same with the EOD reports for Dematerialisation and Rematerialisation generated at his end on last EOD, to confirm the same.

5.4.8 In case the discrepancy in the balances is due to some error on the part of the Issuer/RTA, the Issuer/RTA should intimate CDSL, in writing, with regard to the reasons for the said discrepancy. CDSL shall depute its auditors / staff members to visit the Issuer or its RTA to verify the same. The Issuer/RTA shall, subsequently, after getting the error audited by CDSL, initiate further action to rectify the same.

5.4.9 In case the discrepancy in the balances is due to some error on the part of CDSL, CDSL shall rectify the error and inform the Issuer/RTA, in writing, specifying the reasons for the error.

5.5 Records to be maintained

5.5.1 All records are to be maintained for 8 years or any such period as specified by SEBI /CDSL whichever is higher.

5.5.2 It is suggested that the Issuer/RTA maintain a Register for recording the reconciliation figures for each ISIN, as per the suggested format, on a daily basis. This format may be maintained manually or electronically on the back-office systems.

5.5.3 In case of any error in the balances due to an error on part of the Issuer/RTA, they must maintain the copies of the documents such as certificates, DRF's, etc., for verification by auditors appointed by CDSL.

5.5.4 Similarly, in case of any error in the balances due to an error on the part of CDSL, the Issuer/RTA must maintain the copies of documents such as letter from CDSL informing them about the error for their own records.

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6. COSTS, CHARGES AND DEPOSITS

6.1 The Issuer/RTA shall, pay to CDSL such costs, charges and deposits as are specified herein, along with taxes as applicable at the prevalent rate. The costs, charges and deposits shall be subject to change or revision from time to time by CDSL. In the event of the Issuer or RTA failing to make payment of the costs, charges or deposits, as the case may be, by the due date mentioned in the bill, in addition to any other rights or remedies that may be available to CDSL against the Issuer or RTA, CDSL may

i. Levy interest on such delayed payment or part thereof at the rate not exceeding 12% per annum.

ii. stop providing details of BOs (BenPos) pertaining to ISIN of such Issuers or in case of RTA stop providing Benpos pertaining to all ISINs of all Issuers connected to such RTA as mentioned in the Bye-Laws and the Operating Instructions, in case the Issuer/RTA continues to make default in payment of the costs, charges or deposits and interest levied there on.

iii. Not permit the issuer to use its infrastructure including for issue of further securities in electronic form.

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

A. Recurring Service provider charges for leased line of following types (Applicable for leased lines commissioned through CDSL)	
i) Annual rental of 10 Mbps MPLS leased line	i) 1,10,000/- p.a. plus One time installation cost of Rs. 15,000/-
ii) Annual rental of 10 Mbps local leased line	ii) 82,000/- p.a. plus One time installation cost of Rs. 10,000/-
iii) CDSL annual leased line maintenance charge	iii) 15,000/- p.a.
B. Leased line exit charges (Applicable for leased lines commissioned through CDSL)	
i) Local leased line exit charges	i) 5,000/-
ii) MPLS leased line exit charges	ii) 15,000/-

Note:

1. Charges will be pro-rated monthly from the month in which the RTA is admitted till the end of the financial year. For the subsequent financial year, the same is payable at the beginning of the financial year.
2. Connectivity charges payable to service provider / BSE Limited will be charged on

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actual basis.

3. Connectivity charges which are payable to the service provider / BSE Limited will be intimated by CDSL from time to time.

6.3 Annual charges to be paid by Listed Issuers to CDSL:

Reference SEBI Circular no. CIR/MRD/DP/18/2015 dated December 9, 2015, Issuers to pay @ Rs. **11.00** (*) per folio (ISIN position) to CDSL, subject to a minimum as mentioned below:

Nominal value of admitted securities (Rs.)	Annual Custodial Charges payable by an Issuer to CDSL (Rs.) (*)
Upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

The Issuers would be required to pay custody charges to CDSL with whom Issuers have established connectivity based on the average number of folios (ISIN positions) during the previous financial year or the minimum amount, as the case may be. The average number of folios (ISIN positions) for an Issuer shall be arrived at by dividing the total number of folios for the entire financial year by the total number of working days in the said financial year. However, temporary ISIN shall not be considered for the purpose of computing the annual charges. The payment of annual custodial charges shall be made, by 30th April of each financial year or within 30 days from the date of the bill, failing which, CDSL will charge penal interest subject to a maximum of 12% p.a. If an Issuer requires a breakup of number of folios day-wise or the detailed working used to arrive at the average number of folios, the request shall be made by way of form [see Annexure - 6.1]. CDSL will provide the data on payment of Rs.1,000/-

Annual charges to be paid by Unlisted companies & Alternate investment Funds (AIFs):

Reference Ministry of Corporate Affairs (MCA) notification dated 10th September, 2018, Issuers to pay @ Rs. 11.00 (*) per folio (ISIN position) to CDSL, subject to a minimum as mentioned below:

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Nominal value of admitted securities (Rs.)	Annual Custodial Charges payable by an Issuer to CDSL (Rs.) (*)
Upto 2.5 crore	5,000
Above 2.5 crore and upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

Security Deposit:

The unlisted companies maintain security deposit of not less than two years of annual charges.

6.4 Extinguishment of securities as a consequence of buy back

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

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

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

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

An annual charge of Rs.10,000/- shall be levied for allotment of CPs for the financial year (April – March).

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

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

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6.8 Corporate Action

- A charge @ Rs.10/- per credit and/or a charge of Rs.10/- per debit to/from a BO account subject to a minimum of Rs.1000/- per file.
- A charge @ Rs.10/- per record subject to a minimum of Rs. 300/- per Allotment / CA file to be charged in case of ISIN of Social Stock Exchange (SSE)
  However, in case of split or consolidation or capital reduction only one side will be charged.
- Rs.10/- per record subject to a minimum of Rs.300 /- per file per Issuer security types pertaining to AIFs.
- Debits / Credits attempted to invalid BOIDs will attract charge. Additional fee up to Rs.20,000/- will be levied for customized CA processing request.

6.9 IPO / FPO / NFO electronic transaction update

- A charge @ Rs.10/- per credit to allotee BO account subject to a minimum of Rs.1000/- per instance .
- Credits attempted to invalid BOIDs will attract charge
- Additional fee up to Rs.20,000/- will be levied for customized IPO/NFO processing request.

6.10 Verification of BOIDs (CA / IPO / FPO / NFO) charges for Issuers , Syndicate Members, Sponsor Banks , etc

- Re. **2.5/-** per record, subject to a minimum charges per issue as mentioned below **.**

Sr. No.	Issue Size [In Rs.]	Amount [Rs.]
1	Upto 10 crore	10,000/-
2	Above 10 crore and upto 100 crore	25,000/-
3	Above 100 crore and upto 1000 crore	50,000/-
4	Above 1000 crore	100,000/-

- Verification on invalid BOIDs will attract charge per issue.

[Note: Verification of BOIDs done by the Stock Exchanges are billed to the respective Issuer ID of the exchanges].

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

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

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6.12 Admission of Pass through certificates (PTCs)

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

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

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

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

6.14 Charges for reprocessing the Application (for Issuers) :

For re-submission of returned$/**closed** applications, CDSL shall $**not** levy $**any** re-processing charge$.

6.15 Charges for Change of RTA :

For effecting change of electronic RTA of any company, CDSL shall levy charges as follows:

Sr. No.	Issued Capital [*] [In Rs.]	Amount [Rs.]
1	Upto 5 crore	10,000/-
2	Above 5 crore and upto 10 crore	15,000/-
3	Above 10 crore and upto 20 crore	20,000/-
4	Above 20 crore	25,000/-

* - The issued capital of fully paid up shares and partly paid up shares and/or capital of debt instruments of the Issuers serviced by the RTA

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

6.16 Processing Fees for Issuers and Alternative Investment Funds (AIFs)

A non-refundable processing fee of Rs.20,000/- shall be payable by Issuers fo admission of listed securities. A non-refundable processing fee of Rs. 15,000 per AIF trusts shall be payable by Issuer for admission of unlisted securities/ AIF trusts. A non-refundable processing fee of `15,000 shall be payable by Issuers for the removal of unlisted securities/ AIF trusts.

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

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

6.18 Software Maintenance Charge

An Issuer / RTA Vault Manager (VM) shall be levied Rs.50,000/- per annum as software maintenance charge. The fees would be pro-rated on a monthly basis for the first financial year.

6.19 Charges for retrieval of old data

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

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

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

No document processing charges shall be levied on VMs for VM activity and Issuer for admission of security under SSE.

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

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

6.22 Charges for BenPos generation

BenPos, in the normal course, is generated / distributed to all the Issuers/RTAs once a week (Friday) and as on end of the month or on set up, due to Corporate Action by company / statutory requirements. If BenPos is requested on any other date/day other than the dates when it is generated in the normal course, a fee of Rs.7,500 per request per day up to 10,000 records and Rs.15,000/- for records above 10,000 is levied on the Issuer/RTA.

For AIFs - Charges of Rs.300/- per ISIN per day subject to a maximum cap of Rs.10,00,000/- per annum per AIF. These charges are not applicable for the weekly benpos given every Friday or to the monthly benpos given as on each month end.

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

- For processing documents submitted for admission of fresh capital/change in the constitution of the capital of the company including reduction of capital of the company, split, consolidation etc. for listed equity shares, CDSL shall levy a processing fee of Rs.20,000/-
- The fee is payable only once for a ESOS / ESOP / ASOP / Call Payments Issue (tranche), buy-back of shares and conversion of FCCBs / GDRs / ADRs.

6.24 BO ID Verification charges for ASBA Bankers , Syndicate Members, Sponsor Banks, SEBI Registered Intermediaries ,etc.

For verifying BO ID, a charge of Rs. $**2.50** /- per record shall be levied $**for ASBA Bankers, Syndicate Members, Sponsor Banks, etc. and for SEBI Registered Intermediaries (who do not participate in IPO proceedings) at the rate of Rs. 2.00/- per record**. Subject to a minimum of Rs.5,000 per month. Verification on invalid BOIDs will attract charges**.**

[Note: Verification of BOIDs done by the Stock Exchanges are billed to the Issuer ID of the respective exchange]

6.25 Non- Extinguishment of securities

- A non extinguishment fee of Rs. 100 per ISIN per day shall be charged to the Issuer in case the debt securities are not extinguished by the Issuer by the end of the month following the month in which the redemption was due unless the Issuer has decided to restructure or defer the redemption of securities and informed CDSL accordingly.

6.26 Annual Issuer Fees with respect to increase in capital during a financial year through Corporate Actions etc.

Annual Issuer Fees for the differential amount due to resultant increase in capital in a financial year as per the existing tariff structure approved by SEBI vide its Circular no. CIR/MRD/DP/18/2015 dated December 9, 2015

6.27 Charges for e-Voting - sending of emails and SMS

Reference SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Issuers to pay email and SMS charges as mentioned below:

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1. Details of the charges levied for each eVoting event.

Sr.No	Paid up Capital	Setup Fees (Rs.)
1	Up to Rs.5 Crore	Rs.1,000/-
2	Above Rs.5 crore to Rs.10 Crore	Rs.2,500/-
3	Above Rs.10 crores	Rs.5,000/-

2. Rs.0.45 (45 paise) for sending one set of SMS to the shareholders holding shares as on the identified date.

   Note

   a. **No charges for sending of emails to all the eligible investors having email IDs registered in the depository system.**

   b. Charges are only for sending of SMS to all the eligible investors having mobile numbers registered for SMS alerts in the demat account.

   c. In case of request from the Issuer / RTA to repeat SMS for the demat account holders holding securities, aforementioned fees on SMS would be levied. However, the setup fees would not be levied for the said e-Voting instance.

$Refer Communique no. CDSL/OPS/RTA/POLCY/2026/96 dated March 30, 2026

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7 PENALTIES FOR VIOLATIONS, IRREGULARITIES, NON-COMPLIANCES OR DELAY IN COMPLIANCES

7.1 Objective

The objective of imposing penalty on the Issuer/RTA is to impress upon every Issuer/RTA the importance of observing compliance of various regulatory requirements and to discourage them from non-compliance or violation of these requirements.

7.2 Features

7.2.1) The depository may impose penalty on the Issuer/RTA as mentioned in the Schedule of penalties provided as Annexure 7.1.

7.2.2) The Depository may impose a penalty on the Issuer as mentioned in the Schedule of penalties provided as Annexure 7.2.

7.3 Reference to Law

7.3.1 Depositories Act, 1996

7.3.2 SEBI (Depository and Participant) Regulations, 2018.

7.3.3 CDSL Bye Laws

7.3.4 Operating Instructions for Issuers/RTA

7.3.5 Circulars/Guidelines issued by SEBI from time to time

7.3.6 Communiqué issued by CDSL from time to time

7.3.7 **Prevention of Money Laundering Act, 2002**

- Rule 6: Retention of Records

7.4 Annexures

- Annexure 7.1 - Schedule of Penalties to Issuers/RTAs
- Annexure 7.2 - Schedule of Penalties to Issuers

7.5 Penalties

Apart from direct monetary penalty, the penalty points are **also** converted into monetary penalty after reaching the threshold limit - mentioned hereunder.

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7.6 Scale of Penalty

7.6.1 The scale of penalty to be levied for non-compliance, irregularity, violation or delay in compliance is furnished in Annexure 7.1 for Issuers/RTAs.

7.6.2 The list of non-compliances is subject to such modification as may be deemed fit by CDSL from time to time and the same shall be effective on its notification to the Issuers/RTAs through communiqué.

7.7 Procedure for Imposition of Penalty on Issuers/RTAs

7.7.1 In case any violation, irregularity, non-compliance or delay in compliance is noticed, the concerned functional department will inform the A I & C about its findings.

7.7.2 All instances of complaints / cases involving or allegation of frauds will be reported to SEBI.

7.8 Non-compliances where penalty is levied

7.8.1 The A I & C Department will **impose penalty, if certain non-compliane are observed during inspection as per Annexure 7.1**

7.8.2 **The A I & C Department will** issue a letter to the Issuer/RTA intimating him of the nature of non-compliance and instructing him to rectify the same and submit his compliance report within 30 days of receipt of notice.

7.8.3 If penalty **is** imposed but the RTA does not confirm rectification of the non-compliance within 30 days of imposition of penalty, the matter will be reported to its client companies and SEBI, for necessary action. In case of such non-confirmation by the Issuer the matter will be reported to SEBI for necessary action.

7.9 Verification of Compliance

The compliance reported by the Issuer/RTA will be verified during the subsequent inspection. In case the compliance reported by the **RTA** is found to be false, materially incorrect or misleading, the matter will be reported to its client companies and SEBI, for necessary action. In case the compliance reported by the **Issuer** is found to be false, materially incorrect or misleading, the matter will be reported to SEBI for necessary action.

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7.10 Penalties for non-compliances not covered in the Annexure

The MD or ED will have the authority to introduce penalty points / monetary penalty for such types of the non-compliances, which are not covered in Annexure 7.1.

7.11 General guidelines for imposition of penalty on Issuers/RTAs

7.11.1 CDSL may impose the penalty on the Issuer/RTA to the extent indicated for non-compliances as described in Annexure 7.1 and on Issuer to the extent indicated for non-compliances as described in Annexure 7.2.

7.11.2 **I**f any Issuer/RTA does not pay monetary penalty within 30 days from the due date, the matter will be reported to its client companies (in case of RTA) and SEBI, for necessary action. If such payment is not done by any Issuer, the matter will be reported to SEBI for necessary action.

7.11.3 If after levy of such monetary penalty, the cumulative monetary penalty for the RTA exceeds Rs.50,000/- **during a financial year,** then the matter will be reported to its client companies and SEBI, for necessary action. If such cumulative monetary penalty exceeds Rs.50,000 for an Issuer, the matter will be reported to SEBI for necessary action.

7.11.4 If deviations are observed under the same head in consecutive inspection, the penalty points/monetary penalty amount as indicated in Annexure-7.1 will be doubled.

7.11.5 The actual cost of travel & stay, etc. of CDSL officials and / or other person/s on behalf of CDSL, if any, with respect to the ascertainment or waiver of penalty or for rectification of the non-compliances will be recovered from the Issuer/RTA.

7.12 Manner of service of notice / communication

Any notice or communication required to be given by CDSL, Issuer and RTA interse under Bye Laws / Operating Instruction of CDSL and Agreement amongst them.

Notice/Communication shall be given by Hand Delivery against receipt, registered post or courier that provides a record of the communication thereof for following matters:-

a. Show cause notice to RTA for non-payment of dues/ violation of terms of agreement etc.
b. Notice of termination of agreement.

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c. Notice of assignment of business.

Notice /Communication relating to matters other than those mentioned above may be given by Hand Delivery against receipt, or any other means of communication including but not limited to post, courier, facsimile transmission, telex, telegram, electronic mail etc, that provides a record of communication thereof.

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8 MISCELLANEOUS MATTERS

8.1 Objective

To make available to Issuers/RTAs important information disseminated through CDSL's communiqué (circulars) from time to time, which is outside the scope of the listed chapters.

8.2 Requirement of Trained Personnel at RTA

In order to empower RTA staff to have full knowledge of the depository system with a view to serve their clients better, the RTA should mandatorily maintain adequately trained staff with atleast one person who has attended two day training programme conducted by CDSL and who holds certificate to that effect.

8.4 Process of Application for a new Registrar and Transfer Agent (RTA) RTA ID Creation.

RTA has to submit the duly signed and dated application letter (on the letter head) for creation of the new RTA ID along with necessary documentations as provided in the link https://www.cdslindia.com/RTA/How-to-become-rta.html .

RTA has to submit all the duly completed documentations , formalities and if any query/ies raised by CDSL, the same needs to be cleared within a period of 14 working days from the date of submission of the application for the creation of the RTA.

In case of non-receipt of all the documentations / completion of required formalities within 14 working days, from the date of submission of application or 5 working days from the date of seeking additional documentation /query by CDSL, whichever is higher for the creation of RTA ID, the application will be rejected by CDSL. RTA will have to provide the fresh application again for the creation of the new RTA ID along with the requisite documentations / formalities .

Necessary communique will be released by CDSL post admission of RTA.

Process of Application for the withdrawal / closure of the RTA ID .

RTA has to submit a duly signed and dated letter (on the letter head of the RTA) for the withdrawal / closure of the RTA .

At the time of submission of the withdrawal /closure application, RTA has to ensure the following.

1. There are no grievance pending at the RTA's end for resolution .
2. No non-compliance is pending with the RTA for submission to the Audit department.

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3. All the payments are cleared at the time of submission of the withdrawal / closure request by the RTA.

If all the above points are complied by the RTA and queries (if any from CDSL) are resolved by the RTA within 14 working days from the date of submission of application, RTA will be closed by CDSL. If the required formalities / queries are not cleared by the RTA within 14 working days from the date of submission of the application or 5 working days from the date of seeking additional documentation /query by CDSL, whichever is higher for withdrawal of RTA, the application will be rejected by CDSL. The RTA will be required to submit a fresh application again for the closure/withdrawal of the RTA post clearing all the rejections / queries .

Necessary communique will be released by CDSL post withdrawal / closure of RTA.

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9 MUTUAL FUND UNITS

9.1 Objectives

9.1.1 Destatementization [Destat] is the process, which enables BOs to convert their Mutual Fund units represented by Statement of Account (SoA) in physical form to electronic form and hold the same in their demat accounts with CDSL.

9.2 Annexures

- Annexure 9.1 : Destatementization Register
- Annexure 9.2 : Format of letter for rejection of pending Destat request

9.3 Procedure

9.3.1 AMC / RTAs are advised to devise appropriate controls over the processing activities to ensure that only MF units represented by SoA, which were genuinely issued by the AMC, are considered for Destatmentization.

9.3.2 AMC / RTA can access the data after the Destat request is set-up by the DP. Each Destat request is identified by unique Destat Request Number (DRN). AMC / RTA on receipt of SoA and Destat Request Form (DRF) shall capture the date of receipt of the same and against the DRN in the CDAS system, verify the documents with the DRN setup in the system and shall confirm the same if in order.

9.3.3 Transposition-cum-Destatementization is not allowed.

9.3.4 In cases where Destat request setup is for the entire quantity (option "ALL") AMC / RTA shall confirm/ reject the entire balance (which is available at the time of confirmation) / partial balance in the respective folio with them.

9.3.5 In cases where Destat request setup is for a specific quantity (entire or partial) AMC / RTA shall confirm the maximum balance up to the set up quantity / partial balance with respect to setup quantity in the respective folio with them or reject the balance upto the setup quantity/ partial balance with respect to setup quantity in the respective folio with them.

9.3.6 In case of mismatch of the quantity for units represented by the SoA and the electronic records of AMC / RTA, the AMC / RTA shall credit the Bo account with such number of units as are requested by the BO and available in the records of AMC / RTA. Balance units, if any, are to be rejected by the AMC / RTA.

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9.3.7 For other types of mismatches, AMC / RTA may reject the DRN. AMC / RTA can accept part quantity of units and reject the remaining quantity. However, AMC / RTA cannot defer part confirmation/ rejection to a future date.

9.3.8 MF-DRF and SoA shall be returned to the DP under a Rejection Memo, specifying the reason for rejection within 7 days of rejection of request.

9.3.9 AMC / RTA shall complete processing of the conversion request within 2 days of receiving the physical documents or as specified by CDSL from time to time.

9.3.10 If SoA is lost in transit or misplaced, AMC/RTA may reject the MF-DRF and intimate the DPs. In such case DPs will be required to setup new MF-DRF based on a fresh / copy of SoA submitted by the BO.

9.3.11 **Destatementization request in electronic mode:-**

The AMC /RTAs may process destat request received electronically received through CDAS without receipt of MF- DRF and SOA as per following procedure.

i. AMC / RTAs shall receive confirmation from the DP regarding setting up of the Destat request without physical DRF & SOA. Either through DP's their registered email id or through a letter from the DP.

ii. AMC / RTAs are advised to ensure that the electronic Destat request received from the DP is identified by unique Destat Request Number (DRN).

iii. AMC / RTAs shall enter the date of receipt of MF- DRF as the date on which the RTA received the confirmation from the DP against the DRN in the CDAS system.

iv. AMC/RTAs are required to verify that the request is received from individual sole holder and the name and signature of the BO, is in the depository records is tallying with the records available with him.

v. AMC/RTAs shall follow rest of the procedures as laid down for the acceptance of the physical destat request.

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9.4 Restatementization of Mutual Fund Units

9.4.1 Objectives

9.4.1.1 Restatementization [Restat] is the process, which enables BOs to convert their Mutual Fund units in electronic form in their demat account into physical form i.e. Statement of Account (SoA).

9.4.1.2 In the case of Repurchase / Redemption the Restat module is used to expunge (remove) the MF units and payment is made to the BOs by AMC / RTA in lieu of MF units expunged.

9.4.2 Procedure

9.4.2.1 DPs set up Restat request in the CDSL system based on the Mutual Fund Restatementization Request Form (MF-RRF) submitted by the BO.

9.4.2.2 The AMC / RTA can access the Restat requests once the DP has set-up the request into the CDSL system. The related report is RTS4, RT50 and RT82.

9.4.2.3 AMC / RTA can access the data after the Restat request is set-up by the DP. Each Restat request is identified by unique Restatementization Request Number (RRN). AMC /RTA shall verify the RRN electronic requests with the data maintained with them and shall confirm the same if in order.

9.4.2.4 If the electronic requests does not match / tally with the data records maintained with AMC / RTA, or, for any other types of mismatches, AMC / RTA may reject the Restat request by entering appropriate remark. AMC / RTA shall electronically intimate the rejection of MF-RRF and send the rejection letter to DP within 7 days.

9.4.2.5 AMC / RTA shall complete processing of the Restat request within 5 days from the date of set-up.

9.4.2.6 If the details of the electronic request tally with the records with them, the AMC / RTA shall initiate the process of Restementization by confirming the Restat request.

9.4.2.7 On confirmation of the Restat request, the corresponding accepted balance in the BO's account is reduced from that ISIN balance in the BO's Account.

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9.4.2.8 The AMC / RTA shall send the SoA in physical or electronic form directly to the Registered Owner.

9.4.2.9 The AMC / RTA shall reconcile its back-office records with the CDSL records for pending Restat.

9.4.2.10 Where the MF Units are under lock-in, the AMC / RTA shall ensure that the lock-in release date is mentioned in the Statement of Account:

i. In cases where Restat request is set up with the quantity as 'ALL' to Restat the entire holdings in BO's demat account, AMC / RTA shall confirm / reject the entire balance [which is available at the time of confirmation] / partial balance in the respective folio with them to the extent of Maximum Allowable Quantity for that ISIN.

ii. In cases where Restat request is set up for a specific quantity (entire or partial) AMC / RTA shall:

- confirm upto the setup quantity / quantity in excess of setup quantity (to the extent of maximum allowable quantity) subject to the balance available in the demat account;
- reject the balance upto the setup quantity / partial balance with respect to setup quantity in the respective folio with them.

9.5 Repurchase / Redemption

9.5.1 In cases where Repurchase/Redemption request is set up with the quantity as 'ALL' to Repurchase / Redeem the entire holdings in BO's demat account, AMC / RTA shall confirm / reject the entire balance [which is available at the time of confirmation].

9.5.2 In cases where Repurchase/Redemption request is set up for a specific quantity (entire or partial) AMC / RTA shall:

- confirm upto the setup quantity in excess of setup quantity (to the extent of maximum allowable quantity for that ISIN) subject to the balance available in the demat account;
- reject the balance upto the setup quantity / partial balance with respect to setup quantity in the respective folio with them.

9.5.3 In cases where Repurchase / Redemption Request is set up by mentioning the 'Amount" instead of the MF units, RTA may confirm/reject the same by putting Quantity based on the NAV. In the case of Repurchase / Redemption confirmation, the payment is issued to the BO by the AMC/RTA in lieu of MF units held in electronic form.

Public

9.6 Records to be maintained.

All records are to be maintained for 8 years or any such period as specified by SEBI /CDSL whichever is higher.

Public

Central Depository Services (India) Limited

Convenient ⌖ Dependable ⌖ Secure

ANNEXURES

September 2026

Public

CDSL: ***your depository***

1.1 _____ DEMATERIALISATION REGISTER

1.2 _____ INDEMNITY FOR LOSS OF SHARES IN TRANSIT

1.3 _____ FORMAT LETTER FOR WITHDRAWAL OF PENDING DEMAT REQUEST

2.1 _____ REMATERIALISATION REGISTER

2.2 _____ DOCUMENTS TO BE SUBMITTED BY BOs FOR REMATERIALISATION

3.1 _____ FORMAT FOR ISSUER'S APPLICATION FOR A NEW ISIN FOR IPO

4.1 _____ FORMAT OF BO HOLDING DOWNLOADED TO ISSUER/RTA

4.2 _____ FORMAT OF ALLOTMENT FILE FOR CORPORATE ACTION

5.1 _____ SUGGESTED FORMAT OF RECONCILIATION REGISTER

6.1 _____ FORMAT OF LETTER FROM ISSUER / RTA TO CDSL

7.1 _____ PENALTY STRUCTURE FOR RTAs

7.2 _____ SCHEDULE OF PENALTIES TO ISSUERS

9.1 _____ DESTATEMENTIZATION REGISTER

9.2 _____ FORMAT OF LETTER FOR REJECTION OF PENDING DESTAT REQUEST

Public

REGISTER OF CERTIFICATES DEMATERIALISED

ISIN:			Name of the Company:									As on date:	
Sr. No.	**Date of Receipt**		**Demat Request Number (DRN)**	**DP ID and Name**	**Name of the Beneficial Owner and BO ID**	**Requested Quantity**	**No. of Certificates**	**Accepted Quantity**	**Rejected Quantity**	**Rejected number of Certificates**		**Rejection Reasons**	**Date of Confirmation**
	Electronic	Physical											

Public

On Rs.200/- Stamp Paper

DEED OF INDEMNITY

The DEED OF INDEMNITY is made at _____ this _____ day of _____ between _____, registered as a Depository Participant with the Central Depository Services (India) Limited (CDSL) (hereinafter referred to as "the Depository Participant") and its successors of the **ONE PART** and _____ (name of the institution) hereinafter referred to as **"the Issuer"** *(which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors)* of the **OTHER PART**.

WHEREAS

1. The BO _____ (holding account no. _____) has lodged _____ securities of the Issuer vide folio no._____ bearing distinctive no. _____ to _____ vide certificate no. _____ for dematerialisation on _____.

2. The DP has generated DRN _____ in respect of the abovementioned securities submitted by the BO.

3. **The Depository Participant** has forwarded the same to **the Issuer** along with the duly cancelled certificates on _____ vide courier/Registered Post/Speed Post bearing courier consignment no./Registered A D no./ Speed Post Receipt no. _____ .

4. **The Issuer** has stated that he is not in receipt of the said Certificates/documents in lieu of certificates/documents conveying ownership of securities till date.

5. **The Issuer** has rejected the demat request on _____ as the said certificates has/have not been received till date and it is construed that the documents has/have been lost in transit.

6. The DP, hereby, declares that the said certificates received from the BO was/were duly cancelled and forwarded to you for dematerialisation and undertake that in case the DP comes across the original certificates they shall surrender the same to the Issuer.

Public

7. The DP has now raised a fresh demat request for the said certificates, which were lost in transit, vide DRN _____ dated _____ which were forwarded to the Issuer vide courier/Registered Post/Speed Post bearing courier consignment no./Registered Post/Speed Post Receipt no. _____ as per the guidelines provided by Securities and Exchange Board of India mentioned against serial no.4 vide its Circular no.SMRDP/Policy/Cir-28/99 dated 23.08.1999.

NOW THIS DEED WITNESSETH in consideration of the Issuer having agreed to dematerialize the said securities on the strength of the representation hereinabove made by the Depository Participant, the Depository Participant agrees to indemnify and keep indemnified the Issuer against claims and demands that may be made of or against the Issuer for all losses or damages and all action, suit, litigations or proceedings (including all costs, charges, expenses relating thereto) that the Issuer may incur or suffer on account of any person in whose hands the said securities may have fallen (including any subsequent transferee or transferees from such person whether for valuable consideration or not) acquiring any right and/or any interest and/or any benefit and/or equivalent number of securities whether on transfer or dematerialisation or rematerialisation or otherwise howsoever.

IN WITHNESS WHERE the Depository Participant has put his hands and seal the day, month and year first hereinabove mentioned.

SIGNED AND DELIVERED by) _____

The within named Depository Participant) _____

In the presence of _____) _____

Public

Date :

To,

Company Name and Address

Dear Sir / Madam,

Sub : Rejection of pending request and account closure

I / We have submitted the certificates of your company _____ having ISIN _____ for dematerialisation through Depository Participant _____(name) having DP ID _____. Details of my/ our demat request(s) are given below –

Demat Request Form no. (DRF no.)	Demat Request Number (DRN)	Date of setup of DRN	Certificate no(s).		Distinctive no(s).		Quantity
			From	To	From	To	

The aforesaid demat request(s) is / are pending for disposal for a long time. As I / we wish to close my / our BO account no. _____ and hold the above mentioned securities in physical form, I / We request you to reject the pending demat request and send physical certificates directly to me / us with intimation to my / our DP.

Yours faithfully,

Name and Signature of 1st holder: _____

Name and Signature of 2nd holder: _____

Name and Signature of 3rd holder: _____

Encl : Letter giving details of the demat request, duly signed and stamped by DP.

cc : 1. DP name and address

Electronic connectivity RTA name and address

Public

$Annexure 1.4

DEMATERIALISATION CONVERSION REQUEST FORM

Issuer / Registrar and Transfer Agent Name
Issuer / Registrar and Transfer Agent Address
Registrar and Transfer Agent ID

Date:

_____

I/We request you to provide following service and dematerialize the securities into my/our account as per the details given below:

Service Request	Tick the relevant
Issue of duplicate security certificate	
Claim from unclaimed suspense account	
Renewal / Exchange of securities certificate	
Endorsement	
Sub-division / Splitting of security certificates	
Consolidation of security certificates / folios	
Transmission	
Transposition	
Any other services (Please specify)	

DP ID								
Client ID								
Sole/First Holder Name								
Second Holder Name								
Third Holder Name								
Type of Security	Equity / Others (please							
Quantity to be dematerialized (in figures)								
(in words)								
Face Value (Rs.)								
ISIN (To be filled up by the Issuer / R&T Agent)	I	N						

Details of Securities:

Folio No	Certificate Nos.		Distinctive Nos.		Quantity
	From	To	From	To	

Attach an annexure (duly signed by account holder(s)) in the above format if the above space is not sufficient.

Declaration

I/We hereby declare that I/We are the registered owner / claimant of the above-mentioned securities. The original certificates are hereby surrendered by me/us for dematerialisation. I/We also hereby declare that the securities surrendered by me/us for dematerialisation are free from any lien or charge or encumbrance and represents the bonafide securities of the company to the best of my/our knowledge and belief.

Holder(s)	Signature(s)
Sole/ First Holder	
Second Holder	
Third Holder	

Depository Participant Authorisation

We have verified and certify that the holders of the beneficiary account with us are held in the same name(s) with the above conversion request for dematerialisation

Name of the Executive:
Signature: Participant's Stamp & Date

- -

Acknowledgement

Serial No.

We hereby acknowledge the receipt of service request for _____ Equity / Others

debentures of _____

for conversion into dematerialisation by Mr/Ms/M/s _____

_____ having DP ID_____ and Client ID _____ .

.

Date : **Issuer / R&T Agent Stamp & Signature**

APPLICATION FORM FOR TRANSPOSITION [TPRF]

[TO BE ATTACHED WITH DCRF]

Registrar & Transfer Agent Name / Address

TPRF No.		Date	D	D	M	M	Y	Y	Y	Y

Please transpose the names of the holders of securities as identified in the accompanying demat request form and thereafter credit the same in the demat account as detailed below:

DCRF No.		Date	D	D	M	M	Y	Y	Y	Y
Name of the Company										
ISIN	I	N								

DP ID									Client ID								
Name of the holders (As it appears in the Demat Account)																	
First / Sole Holder Name																	
Second Holder Name																	
Third Holder Name																	

Name of the Holders (As it appears on the Certificates):

Folio Nos.-

Sr. No.	Name(s) of the Holder(s)
1.	
2.	
3.	

Folio Nos.-

Sr. No.	Name(s) of the Holder(s)
1.	
2.	
3.	

Folio Nos.-

Sr. No.	Name(s) of the Holder(s)
1.	
2.	
3.	

	First / Sole Holder	Second Holder	Third Holder
Name (as per demat a/c)			
Signature with RTA			

We state that the above details are true to the best of our knowledge

Registrar & Transfer Agent Seal and Signature

Note:
1. Separate Transposition form should be filled by the joint holders for securities having distinct ISIN.
2. Please write each combination of names in separate boxes.
3. Use separate transposition form if there are more than three combinations of names.

REGISTER OF CERTIFICATES REMATERIALISED

ISIN:-			**Name of the Company:**									**As on date:-**	
Sr. No.	Date of Receipt		Remat Request Number (RRN)	DP ID and Name	Name of the Beneficial Owner and BO ID	Requested Quantity	Lot Type Jumbo / Marketable	Accepted Quantity	Rejected Quantity	Rejection Reasons	Date of Confirmation	Date of Actual transfer effected in the ROM.	Date of Despatch of Certificates
	Electronic	Physical											

Public

Classification - Internal

DOCUMENTS / INFORMATION TO BE SUBMITTED BY VARIOUS CATEGORIES OF BENEFICIAL OWNERS FOR REMATERIALISATION

Sr. No.	Buyer	Information / Documents to be submitted
1	Individual	1. Father / Husband Name 2. Occupation 3. POA Details
2	Domestic Companies	1. Memorandum and Articles of Association. 2. Board approval for purchase and sale of securities. 3. Board approval to the authorised signatories. 4. Specimen signatures of all authorised signatories.
3	NRI with repatriation benefits	1. Bank Mandate. 2. POA Details
4	NRI without repatriation benefits	1. Letter of undertaking not to remit money abroad. 2. Bank mandate, if address given is a foreign address. 3. POA Details
5	Mutual Funds (in the name of the custodian in case of purchase of shares / securities)	1. SEBI approval 2. Declaration of Beneficial Holdings.
6	Societies	1. Registration certificate of the Society. 2. Bye Law or Regulations of the Society. 3. Committee approval for purchase and sale of securities. 4. Committee approval of authorised signatory (ies) power.
7	FII	1. SEBI approval, validity period 2. RBI approval. 3. Power of attorney from FII to Global Custodian. 4. POA from Global Custodian to Indian Custodian. 5. Specimen signature of authorised signatory (ies) of the Indian Custodian.
8	Minor	1. Guardian Name 2. Guardian's relationship to the minor – proof. 3. Birth Certificate of the minor.
9	Foreign National / Foreign Company	1. RBI approval for acquiring shares / securities. 2. Bank Mandate. 3. POA Details.
10	Trust	1. Copy of trust deed. 2. Approval of Trustees to invest for purchase and sale of securities. 3. Certificate of recognition by the Commissioner of Charity to avail tax exemptions. 4. Specimen Signatures of Trustees. 5. Bank Mandate.
11	Provident Fund / Super annuation Fund / Gratuity Fund.	1. Specimen Signature of Authorised Signatories. 2. Certificate of recognition by the Commissioner of Income Tax.

Public

Date: _____

To,
Central Depository Services (India) Limited
16th Floor, P.J. Towers
Dalal Street
Fort
Mumbai - 400 001

Dear Sirs,

Sub: Application for allotment of a new ISIN

This is to inform you that the Company has decided to make a fresh issue of securities.

The type of security is _____. The total quantity of securities to be issued will be _____.

The details are given as per the Master Creation Form enclosed herewith. You are requested to allot a fresh ISIN to the issue of the above securities. This will enable us to allot the Securities to the BO's in electronic form.

If you require any further information, please let us know.

Thanking you,

For XYZ & Co.,

Authorised Signatory

Encl: Master Creation Form

Public

1. This will be common to the entire report: -

Field Name
CDS ID
CDS Name
ISIN
Time of report generation
Date of Report
Report ID
RTA ID
RTA Name
Security Name
Security Type

2. The following information will be given for each BO

Field Name
BO Name
BO ID
BO A / C Status
DP ID
DP A / C Status
BO Address1
BO Address2
BO Address3
City
State
Country
Zip
Current Quantity
Frozen Quantity
Lock-In Quantity
Pledged Quantity
Pending Demat Verification Quantity
Pending Demat Confirmation Quantity
Pending Remat Confirmation Quantity
Dividend / Beneficiary Bank Account No.
Dividend / Beneficiary Bank Code
Dividend / Beneficiary Branch No.
Dividend / Beneficiary Bank Currency

Public

File Format for Corporate Action

File Name: <CA-Seq-Numb>.<3 digit serial Number>.ipf

Control Records:

Field	I/P type	Data Type	Remarks
Record Type	M	Number(2)	"01"- Header
Total Number of records	M	Number (10)	Number of records in the file excluding control record. Including record Type "02 and 03"
Total Current Quantity	M	Number (16,3)	Total Current Quantity in the file record Type "02".
Total Freeze Quantity	O	Number (16,3)	Total Frozen Quantity in the file record Type "02"
Total Lock in Quantity	O	Number (16,3)	Total Lock In Quantity in the file record Type "02".
Total Number of records in type 02	M	Number (10)	Number of records in the file having record Type "02.
Total Number of records in type 03	M	Number (10)	Number of records in the file having record Type "03".

Detail Records:

Field	I/P type	Data Type	Remarks
Record Type	**M**	**Number(2)**	**"02"- CA Details**
Bo id	M	Char (16)	Beneficiary owner's ID
Rta int ref no	O	Char (16)	RTA's Internal reference Number
Isin	M	Char (12)	Parent Isin
Current quantity	M	Number (16,3)	Current quantity
Frozen quantity	O	Number (16,3)	Frozen quantity
Lock in quantity	O	Number (16,3)	Lockin quantity
Lock in reason code	O	Char (2)	Lockin Reason Code
Lock in reason	O	Char (50)	Lockin Reason
Lock in expiry date	O	Char (8)	Lockin Expiry Date
Dr/cr flg	M	Char (1)	Debit /Credit Flag
Benefit isin	M	Char (12)	Benefit Isin
Current quantity	M	Number (16,3)	Current Quantity
Frozen quantity	O	Number (16,3)	Frozen Quantity
Lockin quantity	O	Number (16,3)	Lockin Quantity
Lockin reason code	O	Number (2)	Lockin reason code
Lockin reason	O	Char (50)	Lockin reason
Lockin expiry date	O	Number (8)	Lockin expiry date
Dr/cr flg	M	Char (1)	Debit / Credit Flag

Following field is applicable for DN Record Details :-

Field	I/P type	Data Type	Remarks
Record Type	M	Number(2)	"03"- DN Details
CA ISIN	**M**	**CHAR(12)**	**ISIN**

Public

DN From	M	Number (18)	Distinctive Number from in CDSL
DN To	M	Number (18)	Distinctive NumbeTo in CDSL
DN Quantity	M	Number (18)	Distinctive Number quantity (TO-FROM +1)
Debit/Credit Flag	M	Char(1)	Debit / Credit Flag

1. No field separators should be used.
2. Spaces should be used in case any character field does not have a value.
3. All numeric fields should be right justified with zero padding.
4. All alphanumeric fields should be left justified with padding of spaces.
5. For a single parent ISIN benefit ISIN'S can be upto five details for each benefit ISIN and will form the part of the same record.
6. For File CA FREEZE Quantity Should be 0.
7. DN Ranges will be applicable as DN Ranges submitted to the CDAS.

Public

SUGGESTED FORMAT OF RECONCILIATION REGISTER

ISIN : _____

ISIN NAME : _____

Date	CDS Opening Quantity	Confirmed Additions	Confirmed Subtractions	CDS Closing Quantity	Signature of Person
Business date	As of last Business Date	As of last Business Date	As of last Business Date	As of last Business Date	Person doing Reconciliation

Public

[on the Issuer's / RTA's letterhead]

Date: __ / __ / _____

To:

Central Depository Services (India) Limited
16th Floor, P J Towers, Dalal Street
Fort, Mumbai – 400 001

Dear Sir / Madam,

Sub: Details of Annual Custodial Charges for Issuer ID_____

We request you to kindly forward the details of Annual Custodial Charges for Bill No. _____ dated _____for the financial year _____, with respect to the average number of folios (ISIN positions)

Thanking you,

Yours faithfully,
for [**ISSUER / RTA Name**]

_____
[**Authorized Signatory**]

Name: _____

Designation: _____

Public

Penalty Structure for RTA / Issuers				
Sr. No.	**Nature of Non-compliance**	**Penal Action**	**Imposition criteria of Penal Action**	**Repetitive Non Compliance**
I	**Operational deviations**			
1	Date of receipt of DRF/conversion request form /reconversion request form / RRF not entered/incorrectly entered in depository system.	Sample size: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasion	If Percentage of deviations to sample size is: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
2	Certificates / Statement of Account(SOA) and physical documents not sent to the concerned DPs within 5 working days of rejection of demat/conversion request.	Sample size: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasion	If Percentage of deviations to sample size is: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasions	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.

. Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
3	Not sending printed certificate/SOA to the registered owner and Proof of despatch of certificates/SOA not maintained in case of remat/reconversion.	Sample size: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasion	If Percentage of deviations to sample size is: Less than / equal to 10 % = ₹500/- per occasion More than 10 % but less than / equal to 20 % = ₹1,000/- per occasion More than 20 % = ₹1,500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
4	System of maintaining documents pertaining to demat/conversion/reconversion/ remat/ requests not satisfactory.	₹500/- per occasion	₹500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.

. Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
5	Not adhering to SEBI prescribed procedure for demat confirmation for shares lost in transit from Participant to Issuer / RTA	₹500/- per occasion	₹500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
6	Delay in confirmation of demat /conversion/reconversion/ remat/redemption request within the prescribed time period where the delay is attributable to the RTA/ Issuer connected to depository	₹500/- per request with a cap of ₹50,000/- per occasion	₹500/- per request with a max cap of ₹50,000/- per .occasion.	If deviations are observed under same head in consecutive inspection, ₹1,000/- per request with a maximum cap of ₹50,000/- per occasion.
7	Dematerialistion of securities for which listing approval has not been received from the relevant stock exchange(s).	₹2,000/	₹2,000/- lumpsum	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
8	Reconciliation between depository control position and Register of Members (ROM) is not done on a daily basis.	₹500/- per ISIN with a cap of ₹10,000/-.	The penalty imposed shall be ISIN wise (@ ₹500/- per ISIN) and will be applicable for those ISINs which form part of the inspection sample with a maximum cap of ₹10,000/-	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
9	Reconciliation between issued capital and summation of shares held in Physical form, CDSL and NSDL system is not done on daily basis.	₹500/- per ISIN with a cap of ₹10,000/-.	The penalty imposed shall be ISIN wise (@₹500/- per ISIN) and will be applicable for those ISINs which form part of the inspection sample with a maximum cap of ₹10,000/-	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
10	Internal Audit Report not submitted in the prescribed format within the stipulated time period.	₹2,000/- per occasion plus additional Rs.₹1,000/- for any delay per fortnight.	₹2,000/- per occasion plus additional ₹1,000/- for any delay per fortnight.	₹4,000/- per occasion plus additional ₹2,000/- for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Member Committee.

. Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
11	Internal audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors within 60 days from the date of initial non-compliance letter issued on the observations made by the Depository.	₹2,000/- per occasion plus additional Rs.₹1,000/- for any delay per fortnight.	₹2,000/- per occasion plus additional ₹1000/- for any delay per fortnight till the submission of revised report	-
12	Data submitted in Internal Audit Report is found to be false/ incorrect.	₹1,000/- per occasion	₹1,000/- per occasion.	₹2,000/- per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Member Committee.
II	**System related deviations**			
13	Physical access to client machine is easily available to unauthorised persons.	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
14	Scheme of Variable Access Rights not implemented.	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
15	Not upgrading the software/ hardware/ network/ IT Infrastructure or not complying with pre-requisite or post-requisite of upgradation.	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
16	Failure to establish connectivity with depository through alternate means of communication.	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.

Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
17	Antivirus software not loaded/upgraded/enabled on server and/or client machine	₹1500/- per occasion	₹ 1500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.

. Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
III	**Miscellaneous deviations**			
18	Change in office address and or investor relations officers/compliance officers not intimated to the Depository	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
19	Compliance not reported by Issuer/ RTAs within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter will be reported to its client companies as well as SEBI, for necessary action	Matter will be reported to its client companies as well as SEBI, for necessary action	Matter will be reported to its client companies as well as SEBI, for necessary action
20	Name & specimen signature of authorised signatories not obtained from companies having only electronic connectivity and not compared before confirmation of demat/remat requests.	₹500/- per occasion	₹ 500/- per occasion	If deviations are observed under the same head in consecutive inspection, the penalty amount indicated will be doubled.
21	Quarterly Investor Grievance report not submitted in the prescribed format within the stipulated time period.	₹1000/- per occasion	₹ 1000/- per month	Rs.2000 per month if repeated delay found in consecutive quarter. If delay in submission is observed for three consecutive quarters, matter would be referred to Member Committee.
22	Data submitted in Internal Audit report, Quarterly Investor Grievance report $**or Half yearly Compliance Certificate** is found to be false / incorrect	₹1000/- per occasion Rs. 2,000/- per occasion, if same deviation is observed for consecutive	₹ 1000/- per month	Rs.2000 per month if repeated delay found in consecutive quarter. If delay in submission is observed for three consecutive quarters, matter would be referred to Member Committee.

. Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance
23	Half yearly Compliance certificate not submitted within the stipulated time Public	₹1,000/- per occasion plus additional ₹500 for any delay per fortnight	₹1,000/- per occasion plus additional ₹ 500 for any delay per fortnight.	₹2,000/- per occasion plus additional ₹1,000/- for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Member Committee.

. Classification - Internal

Penalty Structure for RTA / Issuers				
Sr. No.	**Nature of Non-compliance**	**Penal Action**	**Imposition criteria of Penal Action**	**Repetitive Non Compliance**
I	**Operational deviations**			
1	**Delay in confirmation/rejection of pending demat/remat requests within prescribed time period where the delay is attributable to the Issuer**	**500 per request with a max cap of ₹50,000 per occasion**	**500 per request with a max cap of ₹50,000 per occasion.**	**If deviations are observed under same head in consecutive RTA inspection, ₹1,000 per request with a maximum cap of ₹1,00,000 per occasion.**
2	**Issuer which are listed and not adhering to handling of share registry work at single point i.e. common agency requirement for share registry as prescribed by SEBI.**	**₹10,000 per issuer identified during RTA inspection**	**₹10,000 per issuer identified during RTA inspection.**	**If deviations are observed under same penalty head for the same issuer in consecutive RTA inspection ₹20,000. If the total penalty amount under this head exceeds ₹50,000 for an Issuer, the matter would be referred to SEBI**

Public

Classification - Internal

Sr. No.	Nature of Non-compliance	Penal Action	Imposition criteria of Penal Action	Repetitive Non Compliance

Public

. Classification - Internal

REGISTER OF CERTIFICATES DESTATMENTIZATION

ISIN:			Name of the Issuer/AMC/RTA:							As on date:	
Sr. No.	Date of Receipt		Destat Request Number (DRN)	DP ID and Name	Name of the Beneficial Owner and BO ID	Requested Quantity	No. of Pages of SOA	Accepted Quantity	Rejected Quantity	Rejection Reasons	Date of Confirmation
	Electronic	Physical									

Public
Classification - Internal

FORMAT LETTER FOR WITHDRAWAL OF PENDING DESTAT REQUEST

Date:

To,

Company Name and Address

Dear Sir / Madam,

Sub: Rejection of pending destat request and account closure

I / We have submitted the Mutual Fund Units of your Mutual Fund _____ having ISIN _____ for destatmentization through Depository Participant _____(name) having DP ID _____. Details of my/ our destat request(s) are given below –

Destat Request Form no. (DRF no.)	Destat Request Number (DRN)	Date of setup of DRN	Folio No.	No. of Pages	Quantity

The aforesaid destat request(s) is / are pending for disposal for a long time. As I / we wish to close my / our BO account no. _____ and hold the above mentioned Units in the form of Statement of Account, I / We request you to reject the pending destat request and send Statement of Account directly to me / us with intimation to my / our DP.

Yours faithfully,

Name and Signature of 1st holder: _____

Name and Signature of 2nd holder: _____

Name and Signature of 3rd holder: _____

Encl : Letter giving details of the destat request, duly signed and stamped by DP.

cc : 1. DP name and address
2. Electronic connectivity RTA name and address

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