PN-ACC-026

# Development of Operating Procedures Manuals for National Securities Depository Limited (NSDL) Departments of Participant Interface, Issuer Interface, Registrar Operations and Business Partner Inspection

**Financial Institutions Reform and Expansion (FIRE) Project**

**August 1997**

**Financial Institutions Reform and Expansion (FIRE) Project**
**US Agency for International Development (USAID/India)**
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* Corporate Communications - Marketing
* Risk Management
* Surveillance
* Administration

Procedures for these departments will be documented over the next two months. As each group of procedures are completed, manuals will be supplied to the departments in both hard and soft copy forms. Any additional concerns and ideas will be incorporated into the recommendations, priorities and the schedule will also be fine tuned at that time.

**It will be the responsibility of NSDL to maintain the internal manuals on an ongoing basis, using the training and guidance that has been provided by the FIRE project. To sustain this process, NSDL needs to establish corporate policies on the production and maintenance of documented procedures.**

Once the fundamental procedures are in place, PW is prepared to continue to work with NSDL's management team to refine/develop management reports, performance standards, and basic work measurement methods.

For the success of this project the participation and cooperation of your management and staff is essential. We would like to thank you and your colleagues at NSDL and NSE for the time, courtesy and cooperation extended to us during the course of this project.

Please get in touch with us at the FIRE project foor any clarifications you may require.

Thanking you,

Yours sincerely,

**W. Dennis Grubb**
**Principal Consultant**

# *Development of Procedure Manuals for National Securities Depository Limited (NSDL)*

## *Departments of Participant Interface, Issuer Interface, Registrar Operations and Business Partner Inspection*

*Price Waterhouse LLP*
*Mumbai*
*August 1997*

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# I. EXECUTIVE SUMMARY

Over the last few months, Price Waterhouse has been assisting in strengthening management skills and organizational development of the depository through procedure documentation. Sessions on the concepts of defining and developing procedures were held with the various department heads. An action plan was developed that included the identification of functions by department to be documented, and the actual writing of procedures by the technical writer for the FIRE project.

The first departments involved in the documentation process were Participant Interface, Issuer Interface - Marketing, Issuer Interface - Operations and Business Partner Inspection. Staff members were interviewed to outline the steps of each function. Initial drafts were reviewed with departments for any comments and/or changes. Final drafts of procedures to be included in departmental manuals may be found in Appendices C, D, E and F.

Price Waterhouse (PW) did not attempt to change how functions are being performed. The purpose of this exercise was to continue training in developing a formal procedure program while providing basic initial manuals to the depository. As previously agreed to with NSDL, PW has provided comments and recommendations within this paper that will increase efficiencies in the daily processes.

No material problems were found by PW in reviewing the procedures followed by NSDL's staff. Controls appear to be in place to monitor the timeliness and accuracy of processing within the depository system. The staff in the above three departments that were interviewed were able to communicate how they perform their duties and, in general, are very knowledgeable about their jobs. This greatly facilitated the documentation process.

Functions to be documented have been identified for the next group of procedures to be written. The departments involved in this second phase are:

* Clearing Corporation Interface
* Corporate Communications - Marketing
* Risk Management
* Surveillance
* Administration (time permitting)

Procedures for these departments will be documented over the next two months. Similar to the first group, drafts will be reviewed with the respective department heads before final publication.

As each group of procedures are completed, manuals will be supplied to the departments in both hard and soft copy forms. It will be the responsibility of NSDL to maintain the initial group of procedures going forward. To sustain this process, NSDL needs to establish



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corporate policies on the production and maintenance of documented procedures.

Once the fundamental procedures are in place, PW is prepared to continue to work with NSDL's management team to refine/develop management reports, performance standards, and basic work measurement methods.

## II. BACKGROUND

Based on the Organizational Structure Plan *(the Plan)* submitted by Price Waterhouse to NSDL in July 1996, NSDL has been establishing and staffing various departments within the depository.

To provide a foundation for such training, in January, 1997, Price Waterhouse performed a review of the development of each department to date. The recommendations made on the basis of this review were published by Price Waterhouse under the title of Review of Organizational Development for the National Securities Depository Limited, March 1997.

A work plan has been developed to systematically address each task over the next several months. The work plan is designed around the currently identified training needs of NSDL and includes target and completion dates for various activities to be performed. Price Waterhouse will continue to follow the work plan developed for ongoing assistance to NSDL as published in April, 1997. The plan will be updated periodically to report progress in this and other identified tasks to NSDL's senior management. A copy of this plan with updates can be found in Appendix A.

As part of the training program for NSDL, as well as to strengthen the depository's overall organizational development, Price Waterhouse (PW) has continually committed to assist in the development of the initial internal procedures manuals, covering basic functions. Over the last few months, groundwork has been set for this process through training sessions on the concepts of procedure documentation and identification of those functions to be address in the initial manuals. Once the initial manuals are produced, NSDL should have the tools with which to assume the responsibility for updating and adding procedures to these foundation documents.

The function identification process for the following three areas was completed in June, 1997:

* Participant Interface
* Issuer Interface
* Registrar Operations

Since completion of the above step, the technical writer from the PW-FIRE project, Ms. Ferzana Khanna, worked on the documentation of the procedures for these areas through interviews with the appropriate NSDL staff. Guidance was provided by Ms. Sue Hertel, the PW consultant specializing in the depository environment who has been working with NSDL over the last year. Drafts of the procedures were then provided to the individual departments for review before final publication. Discussions were then held with the department heads to incorporate any additions and /or changes into the final drafts. The list of individuals involved in this review process is enclosed as Appendix B.

The first departments involved in the documentation process were Participant Interface, Issuer Interface - Marketing, Issuer Interface - Operations and Business Partner Inspection. Final drafts of procedures to be included in departmental manuals may be found in Appendices C, D, E and F.

The above approach to documenting the procedures will continue to be followed until all of the depository operations departments have been addressed.

***Note: The only support department that was originally planned to be included is Finance/Accounts because of the interaction necessary for participant billing for depository fees. Time permitting, some functions of the Administration Department may be documented during the next phase.***

Following the action plan established earlier in the year, the next group of departments on which procedure manuals are to be developed includes:

* Clearing Corporation Interface
* Corporate Communications (Marketing)/Risk Management
* Surveillance
* Finance/Accounts

The function identification process was completed in August for these departments. Interviews and procedure writing will be taking place over the next two months. It is anticipated that drafts of manuals will be completed for these areas around the end of September, 1997.

Each department will receive two sets of the completed documentation -- one for the department head, one for the departmental staff. In addition, files of the text of the procedures will be provided to NSDL on floppy diskettes for future additions and changes. (Exhibits are not be included with these files.) Comprehensive manuals that include procedures for all departments will be given to the respective Executive Directors at the end of the documentation process.

In documenting procedures, PW did not attempt to change what is currently done. The objective of this exercise was to formally communicate to the NSDL management team and staff how the work is being accomplished while continuing training on the development and documentation of procedures. It is the responsibility of the NSDL management to now review and approve or change as necessary the steps being followed by the staff. PW did, however, agree to make comments and recommendations on the current procedures. The comments and recommendations related to the completed procedures are included within this paper.

## III. APPROACH TO PROCEDURE DOCUMENTATION

Once the functions to be documented were identified, the related NSDL department heads assigned the appropriate staff member(s) to work with the PW technical writer, Ms Ferzana Khanna. The NSDL staff members described each process in full to Ms. Khanna. Exhibits of forms, computer screens, manual and automated reports, etc. were provided by NSDL as appropriate to the procedures. Ms. Khanna then documented the individual steps followed by NSDL to perform each function.

Drafts of the procedure documentation were reviewed by Ms. Sue Hertel with Ms. Khanna for completeness and format. Additional information was obtained from NSDL and incorporated into updated drafts. These drafts were then given to the respective NSDL departments for review, comments, and needed changes. All of this input was used to produce the final documents. (Copies of the final drafts of the manuals for Participant Interface, Issuer Interface - Marketing, Issuer Interface - Operations and Business Partner Inspection may be found in Appendices C, D, E and F respectively.)

Hard copies of the completed manuals will be delivered to NSDL in loose-leaf binders after review of the drafts with this deliverable. This will allow NSDL to add to each manual as necessary in the future. Soft copies on floppy diskettes will also be given to NSDL to enable the depository to make changes, additions, and deletions under the necessary ongoing maintenance of the manuals.

## IV. OBSERVATIONS, COMMENTS, AND RECOMMENDATIONS ON COMPLETED PROCEDURES

The process of performing interviews, gathering exhibits, and actually documenting the steps performed in completing functions was greatly facilitated by the NSDL staff. In general, individuals thoroughly understand the tasks they are performing and were able to clearly communicate what they are doing to the technical writer.

The completed procedures were reviewed for consistency between departments, completeness, and controls on associated risk. In conjunction with the risk factor, the procedures were compared to those identified by Price Waterhouse and published under the report title of "Pilot Study of Control Procedures for the National Securities Depository Limited -- June 5, 1997". The following observations, comments, and recommendations are offered based on this review and comparison.

### *A. Participant Interface*

#### * *PID001 - Loading Prices from NSE*

Under this procedure, the Participant Interface Department accesses the NSE system for the price file. This information is transferred to a floppy diskette. The information is then loaded into the NSDL system from the diskette.

Processes requiring the creation of "floppies" to transfer information are prone to problems, especially in a system as large as required to support the depository. As work volumes within Participant Interface increase, time will not be available for such functions. Individuals may forget about creating the floppy file and entering it to the depository system during the course of a busy day or if other urgent problems arise.

NSDL needs to fully automate this process. The data from NSE should be obtained through an automated file transfer from the Exchange. The file should then be loaded into the NSDL system to support all programs using this data. All of this work should be done in the Systems department. Completion of the job would be ensured through the Scheduler and job run controls.
This function does not belong in business operations. The Participant Interface Department should focus solely on servicing the depository participants. This responsibility will continue to grow with the depository. NSDL should begin to plan for this growth by relieving the Participant Interface staff of non-service related functions

#### * *PID002 - Billing*

The Participant Interface Department currently prepares all billing to participants. It is presumed that the assignment of this function to Participant Interface was to accommodate



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the billing in the initial stages of the depository development. NSDL should move this function in its entirety to Finance/Accounts. Participant Interface should act only as a liaison between that department and participants in resolving any billing issues.

Also under this procedure, any amount still outstanding from a previous billing cycle must be manually carried forward onto the current bill. Such a manual process is subject to error and omission. NSDL needs to automate this step within its billing system.

* ***PID005 - Participant Application***

Applications for participation in the depository are processed in their entirety by the Participant Interface Department. While it is appropriate that Participant Interface prepare the necessary paperwork and do preliminary reviews of the applicant, the final review and approval should come from a party independent of marketing functions such as those related to adding new participants.

It is recognized that NSDL has established a committee to approve applications for participation. However, all of the documentation and history have been accumulated only by the Participant Interface Department. Typically, such final approvals/rejections at depositories in the U.S. involve the Surveillance Department where objective reviews may be ensured. NSDL must move to a system of application processing where the Surveillance Department is involved to avoid conflicts of interest between the natural marketing desires to increase participation and minimizing risk within the depository. This division of responsibilities adds credibility to the overall safety of the depository in the view of regulators, auditors, and participants.

***NOTE: The FIRE Project has continually made this recommendation in assisting with developing the organizational structure of the depository. When procedures are documented for the Surveillance Department, the applicant review process should be included.***

***B. Issuer Interface***

* ***IID009 - Inspection of Business Partners***

The inspection of Business Partners (BP) as performed by the Issuer Interface Department is currently purposely kept on an informal basis by NSDL. This is understandable under the early stages of the development of relationships between the depository and the BP's. However, NSDL needs to begin adding more structure to this critical control point. Procedures need to be firmly established in the following areas:

- Frequency of inspections. This should be annually at minimum, but NSDL needs to be ready to perform inspections if there is a concern that a BP is creating risk to the

depository.

- Basic sampling of activity. A system program should be developed that selects the items to be reviewed in depth.

- Acceptable supportive documentation. This includes documentation obtained in relationship to activity samples as well as resolution of an identified problem.

- Establishment of actions to be taken as necessary against BP's. Such actions are needed where this non-compliance with NSDL rules and where recommendations under previous inspections have not been followed and risk to the depository continues.

Finally, the inspection function should be moved from Issuer Interface to the Surveillance Department immediately. The division of marketing and oversight functions is mandatory for a self-regulatory organization such as NSDL.

***NOTE: PW has continually made this recommendations in assisting with developing the organizational structure of the depository. When procedures are documented for the Surveillance Department, the inspection of Business Partners should be included.***

***It may be that NSDL is anticipating that the Issuer Interface - Marketing functions will eventually be eliminated when all issues are eligible in the depository. If this is the case, the NSDL senior management should consider the re-alignment of responsibilities among department heads to ensure the correct division of duties as soon as possible.***

* ***IID010 - Preparing Market Capitalization Report***

Issuer Interface prepares a weekly report on market capitalization. However, there does not seem to be a firm review process yet that includes what actions are taken based on certain changes. This needs to be further developed by NSDL.

The review of market capitalization and changes is another function that should be added to the Surveillance Department.

***C. Registrar Operations***

* ***OPS003 - Beneficial Owners Reporting to Issuers/R&T Agents***

Under this procedure, Registrar Operations must manually trigger the fortnightly provision of beneficial owners reports to Issuers/R&T Agents. The input to create reports is done by individual ISIN number. This is a labor-intensive process that will become increasingly

burdensome and unmanageable.

NSDL needs to fully automate this process with the system producing the required reports as scheduled. The function of triggering the system should not be in the business operations departments. Rather, this should be a job performed and monitored by the system scheduler and computer operator within the Systems area.

Registrar Operations should only be involved if there is a problem completing this job, and the extent of this involvement should be acting as liaison between NSDL's Systems department and the issuers/agents.

* ***OPS004 - Position Reconciliation with Issuers/R&T Agents***

The Registrar Operations Department telephones Issuers/R&T Agents periodically to verify that security position totals match. This is an important interaction under the early stages of the depository, but will become unmanageable as volumes at NSDL increase. Further, this confirmation process needs to be formalized.

NSDL should establish a program of obtaining written confirmations from Issuers/R&T agents. Under this program, NSDL would periodically (at least quarterly) send position statements to Issuers/R&T Agents with a request for their confirmation. Through such confirmations, Issuers/R&T Agents would certify to the depository that their records are in agreement with those of NSDL as of a specific date, and/or report discrepancies that must be researched and resolved by both parties.

This confirmation process should be assigned to the Surveillance Department. It should also be extended to include depository participants. Having the resulting written confirmations from these business partners will provide support to the depository should conflicts arise in the future.

The review of the results of this confirmation process can also become a part of internal and external audits.

### *D. General to All Procedures*

Observations/recommendations that apply to all procedures in general are as follows:

* Need to automate certain manual processes - Several areas have been noted within the specific departmental procedures where manual processes are currently performed that should be automated. These processes may be manageable right now, but as the depository participation grows, they will become labor-intensive and burdensome. NSDL needs to begin to address these areas before they are out of control.

In discussions with the various department heads, it was learned that a program of documentation and prioritization of required system changes has been put into place by NSDL. Under this process, the business operations management alerts the technical management of system enhancements that are needed. Some of the areas noted in the above comments may already be included in this procedure. It is obvious that the NSDL management team recognizes the need to continually identify and address ongoing automation needs. PW will continue to comment on such areas to support NSDL's efforts.

* Records retention - NSDL needs to establish a formal policy on records retention and fix responsibility for this task. Historically records are critical to a depository when researching participant problems and, in the case of NSDL, handling grievances as reported to the depository.

  Determinations need to be made as to how long records must be kept under any regulatory requirements, what records need to be retained in-house for immediate needs, and what could be stored off-site. Many of these determinations will have to be made after NSDL has more experience in what is needed.

  What types of media will be used also needs to be considered. While many records may be stored in "soft copy" form, considerable paper reports, logs, and other records will be generated from daily operations. Microfilming or some type of image capturing may provide options to NSDL for storage of these hard copy documents..

  NSDL needs to establish a procedure to log and store these records. The ability to quickly retrieve records is most important.

* Standardization of formats for forms, letters, and other communications - Several procedures require some form of internal and/or external communications. These communications may be informative or provide the status of certain functions.

  Wherever possible NSDL should create standard communications forms that require a minimum of manual preparation. Such standard forms minimize the time to complete a task, reduce the chance for omission of information or a procedural step, and ensure consistency in the completion of functions.

* Departmental "Help Desk" - Some of the areas have expressed the intention to set up a separate departmental Help Desk in addition to the one established in the technical area. A generic procedure has been created to support this intent. This procedure is included in the manuals for those departments considering such an addition

  This concept is acceptable if the purpose of such a position is simply to record and distribute incoming inquiries and problems to the other representatives within the

department (i.e. a control point). NSDL should not lose sight of the fact that areas such as Participant Interface, Issuer Interface and Registrar Operations are in themselves a "Help Desk", answering questions, resolving problems, etc.

* Management Reports - There is a considerable amount of data available within the NSDL system and/or being manually accumulated through the daily functions. Some management reports are currently being produced from this data. In discussing the current reports with the various department heads, it was not always clear how meaningful the information is in the current format or how the data is used.

  PW will work with NSDL upon completion of the departmental procedures manuals to review existing management reports, and further format this data into meaningful management tools. NSDL management should begin thinking about what is important to them to monitor activity within the depository and their specific departments to prepare for this next step.

### *E. Corporate Policies on Procedure Documentation*

As recommended in previous reports prepared by PW, NSDL needs to establish corporate policies on the continuing maintenance of procedures manuals. These policies should include periodic reviews of all procedures, required approval levels, and organization/control of the documentation.

Minimally, procedures should be reviewed on an annual basis. Procedures support both training and day-to-day operations of the depository. The documentation becomes an integral part of all internal and external audits. For a self-regulatory organization such as a securities depository, well-documented procedures increase the credibility of operations in the view of regulators. For these reasons, it is imperative that all documentation of processes be current and accurate. The adherence to an established review policy ensures this is accomplished.

It is recommended that all procedures be approved by at least two levels of management. These levels should be at least the manager directly responsible for the function and one level above. NSDL may wish to add other approval levels. Also, approvals may be sought from Compliance, Legal, auditors, and regulators on specific procedures.

***NOTE: There is a natural resistance to sharing documented procedures with auditors and regulators. However, if approvals are received from these groups, NSDL increases its credibility within the industry.***

NSDL needs to determine how procedures will be controlled -- centrally at one point for the depository (perhaps the Library?) or by each department. The control point ensures:

* Proper organization and assignment of procedure identification codes.

* Follow up work is done to insure procedures are circulated for approval from the appropriate management levels.

* Adjustments are made to procedure drafts as requested by approving management before approvals are applied.

* That approvals are actually received.

* That procedures are periodically reviewed under the corporate policy for continued accuracy of content and exhibits.

***Note: Ensuring that exhibits are current and accurate is as important as updating the text of a procedure. Exhibits provide another form of educating the user of the procedure. Some individuals learn from reading words; some, from observing visual aids such as procedure exhibits.***

It is further recommended that the final procedure manuals be distributed to all staff members as a training tool and daily reference. A combined operations manual should also be available at the central control point for reference by management, staff, auditors, and regulators.

## V. FUNCTION IDENTIFICATION FOR PROCEDURE DOCUMENTATION

In addition to finalizing the procedure drafts as described above, the procedure identification process was completed for the next group of departments to be addressed. (Persons met with for this process may be found in Appendix A.) These departments are:

* Clearing-Corporation Interface
* Surveillance
* Corporate Communications - Marketing
* Risk Management
* Accounts (Finance)

Interviews will be conducted and procedures documented for these areas over the next two months, following the same steps as with the first group of departments.

Because of the limited number of procedures required by Corporate Communications - Marketing, PW will consider documenting some of the basic procedures for the Administration area reporting to the same department head. The number of procedures that will be accommodated will be dependant on time available during this second phase of procedure writing.



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## VI. SUMMARY AND NEXT STEPS

Price Waterhouse has completed the final drafts of the procedure manuals for Participant Interface, Issuer Interface - Marketing, and Issuer Interface - Operations. These final drafts are included with this deliverable in Appendices C, D, and E respectively. NSDL's Managing Director and Executive Directors should review these final drafts for any further changes, additions, or general comments. These remarks will be included in the final manuals to be produced and distributed to the related departments by the end of September.

The function identification process was completed for the following areas:

* Clearing Corporation Interface
* Corporate Communications - Marketing
* Risk Management
* Surveillance
* Finance/Accounts

The appropriate staff members will be interviewed and procedures drafted for these areas over the next two months. Similar to the first group of procedures completed by PW, the drafts will be reviewed with the respective departments and selected staff members for any additions and/or changes. Final drafts are expected to be included in the next deliverable to NSDL. Manuals will be distributed to the related departments shortly thereafter.

Once all procedure documentation has been completed, PW will work with the NSDL management team to review and strengthen management reports, set production standards, and develop a work measurement program appropriate for the depository.

## APPENDICES

A. Revised Work Plan for NSDL

B. List of Attendees of Workshops

C. Draft of Procedure Manual: Participant Interface Department

D. Draft of Procedure Manual: Issuer Interface - Marketing

E. Draft of Procedure Manual : Issuer Interface - Operations

F. Draft of Procedure Manual: Business Partner Inspection

## APPENDIX A

## REVISED WORK PLAN FOR NSDL

| TASK | TARGET START DATE | TARGET COMPLETE DATE | ACTUAL COMPLETE DATE |
|---|---|---|---|
| Training session on Compliance, Surveillance, and Risk Management | March, 1997 | March, 1997 | March, 1997 |
| Training session on securities depository services in the U.S. | May, 1997 | July, 1997 | |
| | Delayed start until July due to heavy schedules of NSDL management. | | |
| Training sessions on procedure documentation | May, 1997 | May, 1997 | May, 1997 |
| Identify training resources within/outside India for specific topics as needed by NSDL | May, 1997 | Ongoing | Ongoing |
| Documentation of departmental procedures | | | |
| - Issuer Interface | May, 1997 | July, 1997 | September, 1997 |
| | Function identification completed in May, 1997. | | |
| - Registrar Interface | May, 1997 | July, 1997 | September, 1997 |
| | Function identification completed in May, 1997. | | |
| - Participant Interface | May, 1997 | July, 1997 | September, 1997 |

| | | | |
|---|---|---|---|
| | Function identification completed in May, 1997. | | |
| - Clearing Corporation Interface | July, 1997 | September, 1997 | |
| | Function identification completed in August, 1997 | | |
| - Corporate Communications - Marketing | July, 1997 | September, 1997 | |
| | Function identification completed in August, 1997 | | |
| - Compliance | July, 1997 | September, 1997 | |
| | Switched with Surveillance as of August, 1997 | | |
| - Finance | July, 1997 | September, 1997 | |
| | Function identification completed in August, 1997 | | |
| - Surveillance | September, 1997 | November, 1997 | |
| | Function identification completed in August, 1997<br>Switched with Compliance as of August, 1997 | | |
| - Risk Management | September, 1997 | November, 1997 | |
| | Function identification completed in August, 1997<br>(Early for this phase.) | | |
| Establish Human Resources orientation program | July, 1997 | September, 1997 | Ongoing. |
| | Training on HRD development held on June 5, 1997.<br><br>Sample employee performance review form also provided to NSDL to assist in their development of this process.<br><br>Job descriptions prepared by PW as part of original workflow paper provided on floppy on August 4, 1997. | | |

| | | | |
|---|---|---|---|
| Review/create management reports | November, 1997 | January, 1998 | |
| Introduction to Work Measurement (added May, 1997) | November, 1997 | November, 1997 | |
| Assist in meetings with issuers and R&T agents to solicit participation in the depository | Ongoing as needed by NSDL | Ongoing | Ongoing |
| Assist in development of Business Continuity Plan for business operations | November, 1997 | January, 1998 | |
| Computer Networking | As needed to support out-sourced techni-cal work | As needed to support out-sourced techni cal work | |
| Computer Systems | As needed to support out-sourced techni-cal work | As needed to support out-sourced techni cal work | |

## APPENDIX B

## LIST OF PEOPLE INTERVIEWED

### A. Procedure Draft Reviews

***Participant Interface***

Jayesh Sule, Assistant Vice President, Operations

***Issuer Interface - Marketing***

V.R. Narasimhan, Vice President, Operations
Amit Sinha, Manager

***Issuer Interface - Daily Operations***

S. Gopalan, Assistant Vice President, Operations
Anita Bhatia, Assistant Manager
Paras Gada, Officer

### B. Function Identification for Procedure Documentation

***Clearing Corporation and Surveillance***

Jayesh Sule, Assistant Vice President, Operations

***Corporate Communications, Risk Management, and Administration***

T. Koshy, Vice President, Operations

***Accounts***

Tejas Desai

# APPENDIX C

## DRAFT OF PROCEDURE MANUAL

## PARTICIPANT INTERFACE DEPARTMENT

# Participant Interface Department

# Operating Procedures

# National Securities Depository Ltd.

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Manual prepared by:

Price Waterhouse LLP/USAID FIRE Project

Disclaimer: This publication has been prepared by Price Waterhouse LLP/FIRE Project sponsored by USAID, for private circulation. While utmost care has been taken in preparing this manual, we claim no responsibility for its completeness and accuracy.

Version: 1.0/Aug 1997

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| Billing process | PID002 |
| Daily reconciliation with Participants | PID003 |
| Issuing circulars | PID004 |
| Processing application to become a Participant of NSDL | PID005 |
| Assist in procurement and installation of hardware for Participant | PID006 |
| Establishing connectivity with the Participant | PID007 |
| Participant Master Creation and Move to Production | PID008 |
| Processing Corporate Actions - Cash and Non-Cash Distributions | PID009 |
| Processing Help Desk Calls | PID010 |

Identification Code: PID001
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Loading prices from NSE into the NSDL System

PURPOSE: To download the closing prices of securities from NSEIL to the NSDL System.

NOTE: The custody and transaction charges are based on the closing prices of securities. The file is reconstructed to the format which is accepted by the NSDL System and an Officer verifies that the prices are accurate. After the prices are uploaded to DM, the Officer gives clearance for the EOD process to begin.

PROCEDURE:

Officer

1. Initiates modem connection by dialing the NSE number during the NSEIL End of Day (EOD) process.

NOTE: EOD is one hour after trading stops.

2. Enters the name of the user and password once connected.

3. Receives from NSE a download of nine files, one of which is a .DBF file containing the closing prices of all securities.

NOTE: The PC screen shows the files being downloaded and displays a message in case the line is disconnected during the process so that the process can be reinitiated. Once all the files have been downloaded successfully, a message "Download finished" is displayed on the screen and the user can log off.

4. Reconstructs the file and converts it into the ASCII format required by DM, by:

a. Ensuring that all rows include a symbol series in the .DBF file. (A symbol is an identifying factor for each security.)
b. Deleting those rows where the symbol is not in the first column.
c. Deleting unnecessary spaces between rows.
d. Saving the file using the "Save As" option of formatted text (space) delimited.



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5. Copies the file from the PC onto a diskette.

NOTE: Five diskettes are maintained and recycled; one for each day of the week.

6. Fills in the following sections of the Security Trade Price Entry Form. (Exhibit I)
a. Floppy Name
b. File Name
c. Record Length.

7. Signs the form and sends it along with the floppy prepared in step 3 to TCS's Operations Department.

NOTE: TCS Operations Dept. uploads the file to DM and extracts only the active scrips to create a virgin file.

8. Receives from TCS Ops Dept. a printout of the Trade Price Exception Report which lists the scrips which are active on DM but for which the prices are not available. (Exhibit II)

9. Receives the diskette from TCS Operations Dept. (from Step 7) and the Security Trade Price Entry Form (from Step 4) signed by the TCS Operations Officer with the following sections entered:
a. Block Size
b. No. of Records
c. Job Name and
d. Reports Generated.

NOTE: This indicates that the prices have been downloaded to the production machine.

10. Logs into the DM panels MD03 and MD04 (Exhibit III) and checks that the prices are downloaded for the following scrips:

a. those scrips where there is trading in the BE segment,
b. newly activated scrips,
c. those with partly paid-up shares and
d. scrips printed in the exception report.

11. Verifies with the .DBF file that there was no trades on that day for that particular scrip if a message "No record exists for this ISIN" is displayed on the screen.



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HOD/Manager

12. Resolves price discrepancies found in Step 10 (such as price entered for new ISIN) by manually entering the closing prices into the DM Production System if required.

NOTE: The closing prices are obtained from the original .DBF file.

Officer

13. Signs the Security Trade Price Entry form in two places and enters the time, one to give clearance to the TCS Operations Dept. to start the EOD process, and the other to acknowledge receipt of the diskette (from in Step 9).

14. Sends the signed Security Trade Entry form to TCS Operations Dept.

15. Sends the exception report received in Step 9 back to TCS Ops Dept.

16. Maintains a file of related documentation for future reference.

Procedure Number: PID 001
Title: Security Trade Price Entry Form
EXHIBIT I

SECURITY TRADE PRICE ENTRY FORM

To :

Computer Operations **Date :26/06/97** Time :**6:00 P.M** Sign:

| | | | |
|---|---|---|---|
| Floppy Name | **106214** | | |
| File Name | **26/06/97.prn** | | |
| Record Length | **172** | | |
| Block Size | 1195 | | |
| No. Of Records | 1195 | | |
| Job Name | P1GL5010 | Yes/No | |
| Reports Generated | P1FE7010. | Yes/No | |
| Clearance by Business Operation To Start EOD | Signature | Date :**26/06/97** | Time 6.300 P |
| Floppy Returned | Signature | Date :**26/06/97** | Time 6.300 P |

Procedure Number: PID 001
Title: Trade Price Exception Report
EXHIBIT II (a)

```
**START*****START*****START*****START*****START*****START*****START*****START***
*                                                                              *
* JOBID:          JOB05400                                                   *
* JOB NAME:       P1FE7010                                                   *
* USER ID:        OPCTASK                                                    *
* SYSOUT CLASS:   Q                                                          *
* OUTPUT GROUP:   2.1.1                                                      *
* TITLE:                                                                     *
*                                                                            *
* DESTINATION:    LOCAL                                                      *
* NAME:           BATCH RUN                                                  *
* ROOM:           NSD                                                        *
* BUILDING:                                                                  *
* DEPARTMENT:                                                                *
* ADDRESS:                                                                   *
*                                                                            *
*                                                                            *
*                                                                            *
*                                                                            *
* PRINT TIME:     18:04:19                                                   *
* PRINT DATE:     26 JUN 1997                                                *
* PRINTER NAME:   R1.PR1                                                     *
* SYSTEM:         NSDP                                                       *
*                                                                            *
**START*****START*****START*****START*****START*****START*****START*****START***
```

```
**END*******END*******END*******END*******END*******END*******END*******END***
*                                                                              *
* JOBID:          JOB05400                                                   *
* JOB NAME:       P1FE7010                                                   *
* USER ID:        OPCTASK                                                    *
* SYSOUT CLASS:   Q                                                          *
* OUTPUT GROUP:   2.1.1                                                      *
* TITLE:                                                                     *
*                                                                            *
* DESTINATION:    LOCAL                                                      *
* NAME:           BATCH RUN                                                  *
* ROOM:           NSD                                                        *
* BUILDING:                                                                  *
* DEPARTMENT:                                                                *
* ADDRESS:                                                                   *
*                                                                            *
*                                                                            *
*                                                                            *
*                                                                            *
* PRINT TIME:     18:04:20                                                   *
* PRINT DATE:     26 JUN 1997                                                *
* PRINTER NAME:   R1.PR1                                                     *
* SYSTEM:         NSDP                                                       *
*                                                                            *
**END*******END*******END*******END*******END*******END*******END*******END***
```

Procedure Number: PID 001
Title: Trade Price Exception Report
EXHIBIT II (b)

TRADE PRICE EXCEPTION REPORT ON 1997-06-26

| ISIN | EXCEPTION MESSAGE |
|---|---|
| INE475101106 | TRADE PRICE NOT AVAILABLE IN STK. EXCH. WHERE DEF. INDICATOR IS Y |
| INE518009019 | TRADE PRICE NOT AVAILABLE IN STK. EXCH. WHERE DEF. INDICATOR IS Y |

TRADE PRICE LOADED SUCCESSFULY WITH SOME EXCEPTIONS

VERIFIED.AND SIGNED BY :

Procedure Number: PID 001
Title: DM Panels to Check that Prices have been Downloaded for all Scrips

EXHIBIT III (a)

```
MD041E    MD04                    SECURITY                    29.07.1997 10:58
INQUIRE                     STOCK EXCHANGE DETAILS            P  36A0  NSDP003
-------------------------------------------------------------------------------

ISIN. . . . . . . . . . . . IN.E00'850'101'2  +                              A
                            ARVIND MILLS EQUITY

SEL   STK EXCH CODE +         IDENTIFIER                          DEF IND
                                                                   (Y/N)
__     23                     BEARVINDMILL                          Y
       NATIONAL STOCK EXCHANGE
__     23                     EQARVINDMILL                          N
       NATIONAL STOCK EXCHANGE
__    ___                     ____________________________         __

__    ___                     ____________________________         __

__    ___                     ____________________________         __

__    ___                     ____________________________         __

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F5=REFRESH   F13=ADD   F14=MOD   F17=DEL
```

Procedure Number: PID 001
Title: DM Panels to Check that Prices have been Downloaded for all Scrips

EXHIBIT III (b)

```
MD031E    MD03          MASTER FILE ADMINISTRATION          29.07.1997 10:59
INQUIRE                 SECURITY TRADE PRICE DETAILS        P  36A0  NSDP00C
-------------------------------------------------------------------------------
ISIN. . . . . . . . . . . . IN.E00'850'101'2  +                              A
                            ARVIND MILLS EQUITY
DATE. . . . . . . . . . . . 28.07.1997

PRIMARY STOCK EXCHANGE. :  23 NATIONAL STOCK EXCHANGE

TRADE PRICE . . . . . . . . 137.9000000


COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F5=REFRESH   F12=CANCEL   F13=ADD   F14=MOD
```

Procedure Number: PID 001
Title: DM Panels to Check that Prices have been Downloaded for all Scrips

EXHIBIT III (c)

```
MD031E    MD03          MASTER FILE ADMINISTRATION          29.07.1997 10:5
INQUIRE                SECURITY TRADE PRICE DETAILS         P  36A0  NSDP003
-----------------------------------------------------------------------------
ISIN. . . . . . . . . . . _________________  +

DATE. . . . . . . . . . . 29.07.1997

PRIMARY STOCK EXCHANGE. :

TRADE PRICE . . . . . . . _________________


COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F5=REFRESH   F12=CANCEL   F13=ADD   F14=MOD
```

Identification Code: PID002
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Billing Process

PURPOSE: To raise bills for the custody charges on a quarterly basis and transaction charges on a monthly basis.

PROCEDURE:

Officer

1. Receives notification from TCS Operations Department that the billing summary and details have been downloaded from DM after the end of a month.

2. Checks that the two files, SUMMARY.TXT and BILLING.TXT are downloaded onto his PC.

3. Loads the files into Crystal Report on the PC.

4. Prints the Bill for each Participant. (Exhibit I)

5. Receives figures for the previous outstandings of a Participant which is manually calculated by the Accounts Dept. and sent as an inter-office memo showing the status of debtors. (Exhibit II)

6. Manually enters the figures into the Bills by hand.

7. Sends the Bills to the HOD for signature.

HOD

8. Accesses the FE04 panel on DM (Exhibit III)

9. Compares the amounts on the bill to the amounts on the panel and the Inter office Memo from Accounts showing the status of debtors. (From Step 5)

10. Signs the Bills.

11. Returns the Bills to the Officer.

Officer

12. Dispatches the original Bills to the Participants by courier, along with the prices which have been used in the calculations.

13. Sends a xerox copy of the Bills to the Accounts Dept.

NOTE: Payment of Bills are sent directly to the Accounts Dept. by Participants.

14. Resolves discrepancies reported by Participants, if any by:

a. Preparing a new bill
b. Adjusting the bill for the next month

15. Manually adjusts Bills as necessary.

16. Informs Systems Dept. in such cases to update the production system accordingly.

17. Maintains a file of related documentation for future reference.

Procedure Number: PID 002
Title: Sample Bill

EXHIBIT I (a)

# National Securities Depository Ltd

Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Tel: 497 2964-69 Fax : 91-22-497 2993

Bill No. : NSDL/97-98/03/IN300118/00035
Bill Date : 7-07-1997
Pay On or Before : 19-07-1997

**DP ID : IN300118 ALANKIT ASSIGNMENTS LTD.**

| *DESCRIPTION* | *AMOUNT (Rs.)* |
|---|---|
| Custody Fee | 73.07 |
| Settlement Fee for Market Trades | 0.21 |
| ***TOTAL :*** | **73.28** |

Previous Outstandings as on 7-07-1997 is Rs. 45.47 and Interest on Outstandings is Rs. Nil. Please check your Outstandings along with the Bill.

For and on behalf of National Securities Depository Ltd.

Authorised Signatory

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Procedure Number: PID 002
Title: Sample Bill

EXHIBIT I (b)

# *CUSTODY FEE DETAILS*

## DP ID : IN300118 ALANKIT ASSIGNMENTS LTD.

**BILLING PERIOD : 01-04-1997 to 30-06-1997**

| *ISIN* | *COMPANY NAME* | *AMOUNT (Rs.)* |
|---|---|---|
| INE059101019 | DABUR INDIA LIMITED | 5.27 |
| INE064701019 | THE DHAMPUR SUGAR MILLS LIMITED | 4.61 |
| INE144401010 | JINDAL PHOTO FILMS LIMITED | 1.35 |
| INE144701013 | JINDAL STRIPS LIMITED | 7.19 |
| INE165801015 | INDUSTRIAL CREDIT & INVESTMENT CORP- | 18.43 |
| INE267701014 | RELIANCE CAPITAL LIMITED | 8.80 |
| INE379901015 | SIEMENS LIMITED | 0.79 |
| INE449901011 | ESCORTS LIMITED | 0.28 |
| INE452801017 | HDFC BANK LIMITED | 1.01 |

Procedure Number: PID 002
Title: Sample Bill

EXHIBIT I (c)

| *ISIN* | *COMPANY NAME* | *AMOUNT (Rs.)* |
|---|---|---|
| INE456601017 | INDIAN PETROCHEMICALS CORPN | 1.82 |
| INE457101017 | RELIANCE INDUSTRIES LIMITED | 17.11 |
| INE457201015 | HOUSING DEVELOPMENT FINANCE | 1.80 |
| INE497701016 | JINDAL VIJAYANAGAR STEEL LIMITED | 4.61 |
| **TOTAL :** | | **73.07** |

Procedure Number: PID 002
Title: Sample Bill

EXHIBIT I (d)

## *SETTLEMENT FEE DETAILS FOR MARKET TRADES*

## DP ID : IN300118 ALANKIT ASSIGNMENTS LTD.

**BILLING PERIOD : 01-06-1997 to 30-06-1997**

| *ISIN* | *CM ID.* | *MKT. TYPE.* | *STLM. NO.* | *QUANTITY* | *VALUE (Rs.)* | *AMOUNT (Rs.)* |
|---|---|---|---|---|---|---|
| INE165801015<br>INDUSTRIAL CREDIT & INVESTMENT CC | IN550338 | NL | 1997023 | 1.000 | 72.65 | 0.03 |
| INE457101017<br>RELIANCE INDUSTRIES LIMITED | IN550231 | AU | 1997024 | 1.000 | 366.35 | 0.18 |
| **TOTAL :** | | | | **2.000** | **439.00** | **0.21** |

Procedure Number: PID 002
Title: Interoffice Memo from Accounts Showing Status of Debtors
EXHIBIT II (a)

**INTER OFFICE MEMO**

**To :Mr. Jayesh Sule** **3 July, 1997**

**From : S . Gopalan**

**Sub : Status of outstanding .**

**The status of debtors as on 3 July, 1997 is enclosed . As per our records we are yet to receive Rs.2427.08/- from three parties as per enclosed schedule .**

**Interest has been computed @ 2 % per month and interest details are shown in the enclosed statement . Interest less than Rs.10. has been ignored .**

**You are requested to take note of the same in your next billing .**

**S.Gopalan (AVP)**

Pradipta

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Procedure Number: PID 002
Title: Interoffice Memo from Accounts Showing Status of Debtors
EXHIBIT II (b)

# OUTSTANDING POSITION OF DEBTORS AS OF July 3, 1997

BILL DATE : 05 June 1997

DUE DATE : 17 June 1997

| BILL NO SETTLEMENT | PARTY | OP.BAL | CURRENT BILL | RECEIPT | RECEIPT DT. | AMOUNT O/S | INT. PBL. |
|---|---|---|---|---|---|---|---|
| NSDL/97-98/02/IN300118/00017 | ALANKIT ASSIGNMENT | 14.42 | 31.05 | - | | 45.47 | - |
| NSDL/97-98/02/IN300271/00024 | ACTION FIN. SERV LTD | - | 67.88 | 67.88 | 11-Jun-97 | - | - |
| NSDL/97-98/02/IN300247/00021 | CANARA BANK | - | 117.11 | 117.11 | 18-Jun-97 | - | - |
| NSDL/97-98/02/IN300054/00013 | CITIBANK N.A | - | 14.63 | | | 14.63 | - |
| NSDL/97-98/02/IN300175/00019 | COIMBATORE CAP. MKT. | - | 199.01 | 199.01 | 19-Jun-97 | - | - |
| NSDL/97-98/02/IN300263/00023 | DAYCO SECURITIES | - | 162.60 | 162.60 | 10-Jun-97 | - | - |
| NSDL/97-98/02/IN300020/00012 | G T B | - | 567.82 | 567.82 | 17-Jun-97 | - | - |
| NSDL/97-98/02/IN300011/00020 | GOEJIT SECURITIES LTD. | - | 2.42 | 2.42 | 17-Jun-97 | - | - |
| NSDL/97-98/02/IN300126/00018 | H D F C BANK LTD | - | 2,366.98 | - | | 2,366.98 | 12.00 |
| NSDL/97-98/02/IN300095/00015 | IL & FS | - | 93.52 | 93.52 | 10-Jun-97 | - | - |
| NSDL/97-98/02/IN300225/00022 | JAMES CHAPEL BATLIVALA | - | 50.80 | 50.80 | 9-Jun-97 | - | - |
| NSDL/97-98/02/IN300087/00014 | NSCCL | - | 421.44 | 421.44 | 17-Jun-97 | - | - |
| NSDL/97-98/02/IN300100/00100 | STANCHART | - | 1,792.43 | 1,792.43 | 21-Jun-97 | - | - |
| | TOTAL | 14.42 | 5,887.69 | 3,475.03 | [illegible] | 2,427.08 | 12.00 |

INTEREST AMOUNT LESS THAN Rs.10 HAS BEEN IGNORED .

Procedure Number: PID 002
Title: FE04 Panel

EXHIBIT III

NOT AVAILABLE AT THIS TIME

Identification Code: PID003
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Daily reconciliation with Participants

PURPOSE: To reconcile the custody accounts and the beneficiary position details and positions each business day. (Reconciliation of the DM with the DPM)

BACKGROUND: At the EOD, DM sends a last booking message to the Participant which triggers internal reconciliation and triggers the upload of beneficiary details & positions and reconciliation statement. If the totals tally and the reconciliation is successful, control totals of each Participant for an ISIN are uploaded to DM. DM compares its figures with the control totals received from all the active participants.

If the Participant does not send NSDL the reconciliation statement, the Officer finds out the reason, which could be either a connectivity problem, a systems problem at his end, his operational hours or any other technical reason. If there is no problem, the Officer calls the Participant and asks him to connect.

If all Participants are not connected to the NSDL System at the EOD, the reconciliation is declared an incomplete reconciliation. When that Participant connects the next time, his internal reconciliation is triggered. If it is successful, then that day's external reconciliation statement and beneficiary details and positions are uploaded to DM. At the EOD, the reconciliation status for NSDL's System would change to "complete success" or "failure" depending on whether the positions of all DPs tally with NSDL's positions on that business day.

PROCEDURE:

Officer

1. Receives the production report.

2. References mismatch reports.

a. Internal Reconciliation Mismatch Report (Exhibit Ia)and
b. External Reconciliation Mismatch Report (Exhibit Ib)
c. External Reconciliation Mismatch Report - Defaulter's List. (Exhibit Ic)

3. Checks the Internal Reconciliation Report. (Exhibit Ia)

a. If the report shows "No mismatches found", takes no further action.
b. If a mismatch is displayed, reports to HOD who may escalate it to the top management if necessary for their action.

4. Checks the External Reconciliation Report. (Exhibit Ib)

a. If the report shows "No mismatches found", takes no further action.
b. For every mismatch displayed, tracks each to an order on the System. (Exhibit II). Phones the Participant and resolves mismatches as necessary.

5. Investigates the reason for the mismatch if the mismatch in the External Reconciliation Report cannot be tracked to an order.

NOTE: This would most likely be due to database updation or software bug and could be resolved by updating the database manually.

6. Prepares a memo to the Systems Department giving reasons for the database update, if required. (Exhibit III)

7. Secures signature from the HOD and ED - Operations. Sends this to the Systems Dept.

NOTE: The ED - Systems authorises the request. The Systems Dept. and TCS updates the database after receiving appropriate authorisations.

8. Receives notification from the Systems Dept. that the database has been updated.

HOD

9. Updates the reconciliation status and the beneficiary position upload status on the Customer Information Control Systems (CICS) panel - CRN1 on DM. (Exhibit IV)

Officer

10. Checks the External Reconciliation Report - Defaulter's List. (Exhibit Ic)

11. Monitors the reconciliation status and connectivity of the defaulting Participants and checks for how long they have not connected using screen IC02 and IC03. (Exhibit V)



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12. Checks with the Help Desk to see if a hardware or network problem has been reported by this Participant.

13. Phones the Participant if he has not connected for 2 days and no problem is reported to the Help Desk.

NOTE: Once the problem is resolved and the Participant logs in, all messages in the queue are downloaded.

14. Refers unusual problems to TCS.

15. Prepares management report noting the reason for each item in the External Reconciliation Mismatches Report - Defaulter's List.

16. Submits this report to the Corporate Planning Dept.

17. Maintains a file of production problems as a history.



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Procedure Number: PID 003
Title: Internal Reconciliation Mismatches Report
EXHIBIT I (a)

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPCR021L

PAGE : 1
DATE : 28.07.1997
TIME : 19:59

INTERNAL RECONCILIATION MISMATCHES REPORT AS OF

ISIN

| LOCK IN DATE | LOCK IN REASON | NOSTRO ACCOUNT TYPE | NOSTRO POSITION | VOSTRO POSITION |
|---|---|---|---|---|
| | NO MISMATCHES FOUND | | | |

Procedure Number: PID 003
Title: External Reconciliation Mismatches Report
EXHIBIT I (b)

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPCR011L
EXTERNAL RECONCILIATION MISMATCHES REPORT

PAGE : 2
DATE : 16.08.1997
TIME : 17:01

STATEMENT DATE

DP ID

ISIN

| MARKET-TYPE-POSITIONS | | | |
|---|---|---|---|
| CM-TYPE | ACCOUNT-TYPE | NSDL-ACCT-POSITION | DPM-ACCT-POSITION |

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Procedure Number: PID 003
Title: External Reconciliation Mismatches Report
- Defaulter's List
EXHIBIT I (c)

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPCR011L
EXTERNAL RECONCILIATION MISMATCHES REPORT

PAGE : 2
DATE : 28.07.1997
TIME : 19:58

BUSINESS DATE : 28.07.1997

DEFAULTERS LIST

| DP-ID | DP SHORT NAME | RCON STMT DATE | RECONCILIATION STATUS | DUMMY/POS IND |
|---|---|---|---|---|
| IN.300'079 | IDBI CAP MKT SERV LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'087 | NATNL SEC CLG CORP LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'095 | INFRA LEAS & FIN SER LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'126 | HDFC BANK LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'191 | IND. DEV. BANK OF INDIA | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'222 | DALMIA SECURITIES LTD. | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'247 | CANARA BANK | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'271 | ACTION FIN SERV (I) LTD. | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'280 | JANATA SAHAKARI BANK LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'302 | MUNOTH FINANCIAL SER LTD | 28.07.1997 | STMT NOT RECEIVED | P |
| IN.300'327 | EAST INDIA SEC PVT LTD | 28.07.1997 | STMT NOT RECEIVED | D |
| IN.300'335 | ANZ GRINDLAYS BANK LTD. | 28.07.1997 | STMT NOT RECEIVED | D |
| IN.300'343 | SHAH INVESTORS HOME LTD | 28.07.1997 | STMT NOT RECEIVED | D |
| IN.300'126 | HDFC BANK LTD | 25.07.1997 | STMT NOT RECEIVED | P |
| IN.300'191 | IND. DEV. BANK OF INDIA | 25.07.1997 | STMT NOT RECEIVED | P |
| IN.300'222 | DALMIA SECURITIES LTD. | 25.07.1997 | STMT NOT RECEIVED | P |
| IN.300'126 | HDFC BANK LTD | 24.07.1997 | STMT NOT RECEIVED | P |
| IN.300'222 | DALMIA SECURITIES LTD. | 24.07.1997 | PARTIAL STMT WITHOUT ERRORS | P |
| IN.300'126 | HDFC BANK LTD | 23.07.1997 | STMT NOT RECEIVED | P |

Procedure Number: PID 003
Title: Panel Showing Details of Mismatches
EXHIBIT II

NOT AVAILABLE AT THIS TIME

Procedure Number: PID 003
Title: Memo to Systems Department for Database Update
EXHIBIT III

**NATIONAL SECURITIES DEPOSITORY LIMITED**

**Inter Office Correspondence**

Date : 27-03-1997

To : E D ( R D )

From : Jayesh Sule

---

The beneficiary position upload statements as well as the reconciliation statements have not been received from Canara Bank for the date 26-03-1997. Canara Bank was activated on 26-03-1997. The DPM is structured in such a way that it receives the BOD only as of the next business day i.e., 27-03-1997.

The DM ,however, checks the number of active DPs as against the number of reconciliation statements for the current business day. It is mandatory to receive all the reconciliation and beneficiary position statements before the download to the share registrar is due.

In light of the above, database update changes related to the number of active DPs for the date 26-03-1997 is considered necessary.

Regards,

**Jayesh Sule**

Procedure Number: PID 003
Title: Cics Panel

EXHIBIT IV

```
CRN11E     CRN1          BENEFICIARY ACCOUNT DETAILS          29.07.1997 11:34
INQUIRE                   RECONCILIATION DETAILS-I            X  05A0      X001
-----------------------------------------------------------------------------
                                                                   MORE :   -
SELECT ONE OF THE FOLLOWING
(EXTERNAL RECONCILIATION :          BENPOS UPLOAD :
 1. UPDATE RECO STATUS              2. UPDATE RECO STATUS
 3. VIEW RECO FAILURES              6. VIEW RECO FAILURES
 4. VIEW DEFAULTERS                 7. VIEW DEFAULTERS
 5. VIEW ALL CASES                  8. VIEW ALL CASES              )

SEL   RECON DATE     RECONCILIATION STATUS       BENPOS STATUS
_     14.07.1997     CMPLT RECON SUCCESS         CMPLT RECON SUCCESS
_
_
_
_
_
_
_

COMMAND ===>_____________________________________________________________
F1=HELP   F2=PFSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

Procedure Number: PID 003
Title: Screen to Monitor Connectivity of Participants
EXHIBIT V

```
C021E     IC02            NETWORK SUPPORT FUNCTIONS          29.07.1997 11:02
NQUIRE                    LIST OF ACTIVE CONNECTIONS         P  36A0  NSDS001
-----------------------------------------------------------------------------
OTAL ACTIVE CONNECTIONS:  0035                                      MORE : +

ELECT TO SEE MORE DETAILS OF THE CONNECTION

EL BP ID  AND STATUS/       LUD  NETWORK  NETWORK        LOG-ON  CONNECTION
   SHORT NAME               ID   NAME     ADDRESS         TIME    STATE
   IN.200'019  A            0003 VSAT     195.1.18.2      09:37   CONNECTED
   MCS
   IN.300'011  A            0004 VSAT     195.1.10.2      09:10   CONNECTED
   STOCK HLDG CORP OF I LTD
   IN.300'038  A            0006 VSAT     195.1.20.2      08:34   CONNECTED
   RELIANCE SHR & STK BRK L
   IN.300'046  A            0007 VSAT     195.1.22.2      09:44   CONNECTED
   IIT CORP SERVICES LTD
   IN.300'054  A            0008 VSAT     195.1.25.2      08:19   CONNECTED
   CITIBANK N. A.
   IN.001'002  A            0010 LEASED   195.1.24.3      09:21   CONNECTED
   NSCCL-CC

OMMAND ===>_____________________________________________________________
1=HELP   F2=FSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

```
IC031E    IC03            NETWORK SUPPORT FUNCTIONS          29.07.1997 11:02
INQUIRE                   LIST OF INACTIVE CONNECTIONS       P  36A0  NSDS001
-----------------------------------------------------------------------------
TOTAL INACTIVE CONNECTIONS . :  0017                                MORE : +

SELECT TO SEE LIST OF ADDRESSES FOR LUD

SEL BP ID  AND STATUS/      LUD  NETWORK  NETWORK        LAST LOG-ON
    SHORT NAME              ID   NAME     ADDRESS        DATE  AND  TIME
.   IN.100'010  A           0001 VSAT     195.1.12.2     28.07.1997 15:39
    HDFC
.   IN.100'028  A           0002 VSAT     1.1.1.1        17.05.1997 17:31
    RIL
.   IN.300'020  A           0005 VSAT     195.1.17.2     29.07.1997 00:16
    GLOBAL TRUST BANK LTD.
.   IN.300'062  A           0009 VSAT     195.1.23.2     28.07.1997 17:27
    INDSEC SEC. & FIN. LTD.
.   IN.300'095  A           0013 LEASED   195.1.15.2     29.07.1997 00:19
    INFRA LEAS & FIN SER LTD
.   IN.200'027  A           0014 VSAT     195.1.29.2     28.07.1997 19:35
    I-SERV

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

Identification Code: PID004
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Issuing circulars

PURPOSE: To issue circulars to Depository Participants periodically for their information and action. For example, circulars are sent informing Participants of features available in a new version of software or if a new security is added to Depository and periodically, administrative bulletins are sent to Participants. (Exhibit I)

PROCEDURE:

Officer

1. Receives notice of need for circular from various areas
a. HOD
b. Issuer Interface Dept.
c. Systems Dept.

2. Prepares a draft of the circular and gets the contents approved by the HOD verbally.

2. Refers to the circular file sent to Depository Participants for the last number assigned.

3. Assigns a circular reference number. (PI No.)

NOTE: The soft copy of circular numbers (on an Excel worksheet) (Exhibit II) and the soft copy of the circular is maintained in the circular directory on the LAN.

Officer

4. Prepares the final version of the circular with the appropriate circular reference number.

5. Sends it to the HOD for approval and signature.

HOD

6. Signs the circular.

NOTE: May get approval from the ED or MD if appropriate.

Officer

7. Sends it to the dispatch room of the Administration Department where it is sent to all Depository Participants by courier.



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8. Maintains the file of circulars.

9. Prepares a bound copy of all circulars issued by the Department every quarter and distributes it to Participants who have been newly admitted in the quarter.



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Procedure Number: PID 004
Title: Sample Circular

EXHIBIT I (a)

# NATIONAL SECURITIES DEPOSITORY LIMITED

## Participant Interface

## Circular

Circular No. NSDL/PI/028
Date : April 11, 1997

All Participants are hereby informed that the timings for **Verify & Release** of instructions pertaining to the operations of the Depository Participant Module for the following days have been revised as follows :

| | |
|---|---|
| April 16, 1997 (Wednesday) | 7.30 a.m. to 9.00 a.m. and 3.30 p.m. to 7.30 p.m. |
| April 17, 1997 (Thursday) | 7.30 a.m. to 9.00 a.m. and 6.00 p.m. to 7.30 p.m. |
| April 23, 1997 (Wednesday) | 7.30 a.m. to 9.00 a.m. and 3.30 p.m. to 7.30 p.m. |
| April 24, 1997 (Thursday) | 7.30 a.m. to 9.00 a.m. and 6.00 p.m. to 7.30 p.m. |

**For and on behalf of**
**National Securities Depository Limited**

**Jayesh Sule**
**Asst. Vice President**

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Procedure Number: PID 004
Title: Sample Circular

EXHIBIT I (b)

# NATIONAL SECURITIES DEPOSITORY LIMITED

**Participant Interface**

**Circular**

Circular No. NSDL/PI/025
Date: April 4, 1997

All Participants are hereby informed that the equity shares of **Jindal Photo Films Ltd. (ISIN INE144401010)** have been admitted for dematerialisation on the Depository with effect from April 5, 1997.

The Registrar/ Transfer Agents of the company are M/s MCS Limited (BP Id IN200019).

The dematerialisation requests alongwith the physical certificates will be accepted at the following address :

Mr. Sushil Singal
Partner
Shree Balajee Computer Services
28 -B/4, Jia Sarai,
Near IIT Gate,
Outer Ring Road, Hauz Khas,
New Delhi - 100 016

Participants are advised to ensure that non pari passu or partly paid shares are not accepted for dematerialisation under the above ISIN.

For and on behalf of
**National Securities Depository Limited**

**Jayesh Sule**
**Asst. Vice President**

Procedure Number: PID 004
Title: Excel Worksheet

EXHIBIT II

| INDEX | | |
|---|---|---|
| **No.** | **Dated** | **Particulars** |
| NSDL/PI/001 | 24-Dec-96 | Modification of formats prescribed under Chapter 12 & 13 of Business Rules at Annexure L, M, N, S and T |
| NSDL/PI/002 | 24-Dec-96 | Procedure for settlement of securities traded in BE segment |
| NSDL/PI/003 | 24-Dec-96 | General Operating Instructions |
| NSDL/PI/004 | 18-Jan-97 | Timings for Capture, Verify and Release of instructions |
| NSDL/PI/005 | 05-Feb-97 | Procedure for closure and shifting of Clearing Member Accounts |
| NSDL/PI/006 | 24-Feb-97 | Revision of timings for Verify & Release of instructions on February 28, 1997 |
| NSDL/PI/007 | 24-Feb-97 | Amendment of Rule 4.2 of Business Rules - Saturday Working |
| NSDL/PI/008 | 24-Feb-97 | Modification of formats prescribed under Chapter 12 & 13 of Business Rules at Annexure Q and T |
| NSDL/PI/009 | 26-Feb-97 | Non availability of certain L & T shares for dematerialisation. |
| NSDL/PI/010 | 27-Feb-97 | Modification of Circular No. NSDL/PI/009 due to change in DNRs. |
| NSDL/PI/011 | 08-Mar-97 | Release of Version 1.21 of the DPM system |
| NSDL/PI/012 | 08-Mar-97 | Amendment of Bye Law 2.1.5, 6.4.2 and 9.1.5 of Bye Laws - FII Agreement, etc. |
| NSDL/PI/013 | 10-Mar-97 | Admission of equity shares of Jindal Strips Ltd. for dematerialisation. |
| NSDL/PI/014 | 12-Mar-97 | Revision of timings for Verify & Release of instructions on 12th, 13th, 14th, 15th, 17th and 18th March, 1997 |
| NSDL/PI/015 | 20-Mar-97 | Revision of timings for Verify & Release of instructions on 26th, 27th, 28th and 29th March, 1997. |
| NSDL/PI/016 | 21-Mar-97 | Amendment of Rule Nos. 10.2.3 and 10.2.4 of Business Rules - Fees and Deposits |
| NSDL/PI/017 | 21-Mar-97 | Basis of charging various types of fees viz., custody fee, settlement fee and rematerialisation fees. |
| NSDL/PI/018 | 21-Mar-97 | Facility of Back Office Batch Interface |
| NSDL/PI/019 | 27-Mar-97 | Waiver of custody fees in case of HUDCO bonds. |
| NSDL/PI/020 | 27-Mar-97 | Completion of EOD process by Participants |
| NSDL/PI/021 | 27-Mar-97 | Declaration of holiday for the Depository on Mar 29, 1997 due to Version 1.3 release |
| NSDL/PI/022 | 27-Mar-97 | Release of Version 1.3 of the DPM system |
| NSDL/PI/023 | 27-Mar-97 | Admission of equity shares of Synthetics and Chemicals Ltd. for dematerialisation. |
| NSDL/PI/024 | 31-Mar-97 | Revision of timings for Verify & Release of instructions on 2nd, 3rd, 9th and 10th April, 1997 |

Identification Code: PID005
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing application to become a Participant of NSDL

PURPOSE: To scrutinise the new participant applications to join NSDL. If the Management approves, SEBI approval for registration is sought and an Agreement is signed.

NOTE: Categories of market participants eligible to become Depository Participants are Public financial institutions, Scheduled banks, RBI approved foreign banks operating in India, State financial corporations, Certified custodians of securities, Clearing corporations/houses of Stock Exchanges, Registered stock brokers and Non Banking Financial Corporations (NBFCs).

PROCEDURE:

Officer

1. Receives from applicant a phone call or letter expressing an interest to join the Depository.

2. Sends the applicant the Introductory Kit, including
a. Stockbroker's Guide to Depositories (Exhibit I)
b. Introduction to Depositories (Exhibit II)
c. Stock Broker's Guide to Trading, Clearing and Settlement of Electronic Securities (Exhibit III)
d. An Investor's Guide to Depositories (Exhibit IV)
e. Procedure for becoming a Depository Participant (Exhibit V)
f. Hardware, Software and Telecom Setup (Exhibit VI)

3. Receives from applicant Form E (Exhibit VII) which has been completed along with the documents as per the Bye-laws, details of which are in the Introductory Kit, including but not limited to
a. Annual Report for the past three years
b. Net worth certificate of Chartered Accountant
c. Computation sheet of Net worth
d. SEBI/RBI Registration Certification of Group Companies
e. Memorandum and Articles of Association

4. Gathers information regarding the track record of the applicant (particularly if he is a broker) from other Stock Exchanges.

5. Prepares an Agenda (Exhibit VIII).

6. Sends the Agenda to the Committee to Admit Participants (CAP) Members before the CAP meeting.

7. Forwards application for approval based on the application type.
a. If the Participant is a bank/custodian/financial institution, the application can be approved by the MD.
b. For all other applicant types, it is presented to the Committee to Admit Participants (CAP).

NOTE: At the CAP meeting a decision is taken as to whether or not the applicant should join the Depository. Also at the CAP meeting, the MD informs the members which banks/custodians/financial institutions have been approved by him as Participants since the last meeting.

HOD

8. Advises applicant of the decision.

9. Sends forms which require to be filled in by the Participant for the Hardware and VSAT connection if the application is approved.

10 Files the application and informs the applicant of the reasons if the application is turned down.

Officer

11. Assists the Participant in placing the hardware order and initiating the VSAT connection process.(Refer to related procedure PID 006)

12. Receives notification from Participant that hardware and VSAT connection have been acquired.

13. Informs HOD.

HOD

14. Sends the application to SEBI in Form E which is completed by the Participant and with a Letter of recommendation from NSDL, certifying that the Participant has acquired the hardware and VSAT connection.

NOTE: SEBI processes the application an issues a registration certificate to the Participant. (Exhibit IX)

Officer

15. Receives notification of SEBI approval. (Exhibit X)

16. Informs the Participant when SEBI approval is obtained and informs the participant to make the necessary payments to NSDL.

17. Prepares the Agreement.(Exhibit XI) and sends it to the Participant for signature.

18. Receives signed Agreement from the Participant and sends it to the HOD for signature.

HOD

19. Signs the Agreement and sends the Participant a copy.

Procedure Number: PID 005
Title: A Stock Broker's Guide to Depositories
EXHIBIT I

# A STOCK BROKER'S GUIDE TO DEPOSITORIES

National Securities Depository Limited

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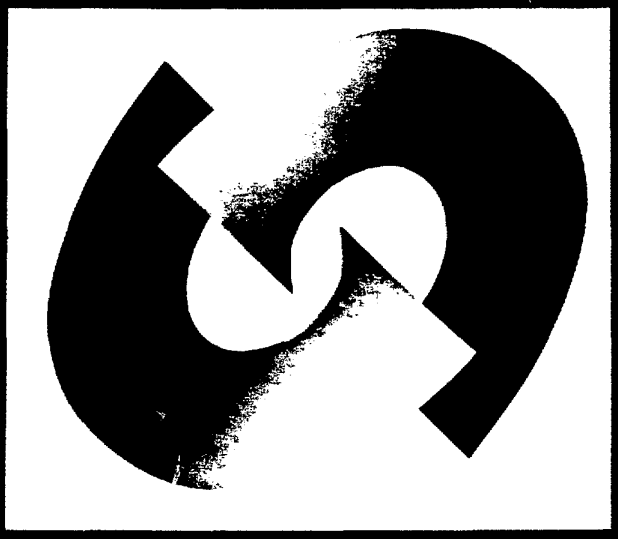
Procedure Number: PID 005
Title: Introduction to Depositories

EXHIBIT II

# Introduction to Depositories



National Securities Depository Limited

National Securities Depository Limited

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Procedure Number: PID 005
Title: Stock Broker's Guide to Trading, Clearing, & Settlement of Electronic Securities

EXHIBIT III

# Stock Brokers Guide

# to

# Trading, Clearing & Settlement

# of

# Electronic Securities

**National Securities Depository Limited**

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Procedure Number: PID 005
Title: An Investor's Guide to Depositories
EXHIBIT IV

# AN INVESTOR'S GUIDE TO DEPOSITORIES

NATIONAL SECURITIES DEPOSITORY LIMITED

Procedure Number: PID 005
Title: Procedure for Becoming a Depository Participant
EXHIBIT V (a)

## Procedure for becoming a Depository Participant

The Participants should thoroughly study the following before sending the application as a Depository Participant.

1. Security Deposit and Initial Fees Payable.
2. Submit the Form E duly filled, in duplicate, to NSDL.
3. Details required for filling up/submission of Form E.
4. Admission Criteria as per the Bye Laws of NSDL

### 1. Security Deposit and Initial Fees Payable

The following security deposits & fees should be payable by Demand Draft or a Bankers Cheque

| Particulars | Payable in the name of | Amount (Rs.) | Time of Payment |
|---|---|---|---|
| Application Fees | SEBI | 5,000 | After intimation from NSDL |
| Registration Fees | SEBI | 1,00,000 | After SEBI approval |
| Entry Fee | NSDL | 25,000 | After SEBI approval |
| Security Deposit | NSDL | 10,00,000 | After SEBI approval |

### 2. Submit the form E duly filled, in duplicate to NSDL.

Copy of Form E is given as **Annexure A**. The instructions as given in Form E should be duly complied with like "**every page of the form and additional sheet must be initialled by authorised signatory of the applicant**", " All copies of documents should be attested as true by an authorised notary.", etc.

Procedure Number: PID 005
Title: Procedure for Becoming a Depository Participant
EXHIBIT V (b)

**3. Details required for filling up/submission of Form E**

| Clause No. | Clause | Details required. |
|---|---|---|
| 2 | Category | The SEBI regulation 19 (a) has been reproduced in Annexure B. The clause number and the category may be mentioned. |
| 3(a) | Attested Copies | Attested Copies of (I) Certificate of incorporation, (ii) Memorandum and (iii) Articles of Association should be attached. These copies may be attested by the Company Secretary. |
| 3(b) | Details of activities | Give a detailed synopsis of the existing activities of the organisation. |
| 3(d) | SEBI/RBI registration. | To give notarised copy of the SEBI, RBI registration cetificate for the Participant as well as for its affiliates and subsidiaries. |
| 3(f) | Beneficial Owners | Expected number of BOs and the kind of BOs which will be targeted by the Participant should be mentioned. |
| 4 | SEBI Regn No. of NSDL | IN-SD-NSDL-01-96 dated June 7, 1996. |
| 8 | Networth | The latest Annual Report should be enclosed and the Networth Certificate (Minimum Rupees One Crore), computed as per format given in Annexure C should be submitted. |
| 9 | Services provided to BOs | Give the kind of services presently provided to the BOs and the services proposed to be provided to the BOs. |
| 10(i) | Organistion Structure | Give the organisation structure for the existing operations and also for the depository operations. |
| 10(ii) | Key Personnel | Give a detailed reseume of the key personnel earmarked for the depository operations. |
| 11(i) | Risk Control and Operations Manual | Copies of Risk Control and Operations Manual for the existing operations as well for the depository operations should be enclosed. |
| 12(i) | Hardware, Software and Communications details | Give details for the existing operations as well as for the depository operations. |
| 12(ii) | Data Storage and backup procedures | Give details for the existing operations as well as for the depository operations. |

| | | |
|---|---|---|
| 12 (iii) | Disaster Recovery Systems | Give details for the existing operations as well as for the depository operations. |
| 13 | Insurance | Give details for the existing insurance cover. For the Depository Operations NSDL it will be provided by NSDL. |
| 15 | Undertaking | Will be provided by NSDL. |

**4. Admission Criteria as per the Bye Laws of NSDL**

Following details should be furnished by Participants to NSDL :

i) Details of Business History.
(including promoters, core business areas, date of commencement of such businesses, etc.)

ii) Annual Reports for last three years

iii) Details of Board of Directors in case of a corporate entity, or a similar authority in any other case.

iv) Specimen signatures of the authorised officials, who shall be responsible for acting on behalf of the Participant.

v) To appoint a Compliance Officer (mention designation & qualification) who shall interact with the Depository on behalf of the Participant for compliance with the Bye Laws and Business Rules, resolving, redressal of investor's/clients' grievances

vi) Office space earmarked in square feet and location of the same for the depository operations.

Procedure Number: PID 005
Title: Hardware, Software & Telecommunications Setup
EXHIBIT VI

# *HARDWARE, SOFTWARE & TELECOMMUNICATIONS SET-UP*

## A] EQUIPMENT CONFIGURATION DETAILS :

The Participant will have his own I.T. set up installed in his office, which will be connected to the Depository system situated at National Securities Depository Limited, Tradeworld, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013, using appropriate telecommunication links. The hardware, software & telecommunication equipment should be as specified by NSDL. The Participant should ensure continuos electronic means of communication (connectivity) with NSDL.

The minimum I.T. set up required for a Participants entry level system would comprise of single CPU Server with 64MB memory, 2GB hard disk and at least one node. The Participant may configure additional CPU, memory, disks and nodes based on the volume of work envisaged. A " Sizing guideline" to help arrive at an appropriate configuration is given in pages 17-19 of this annexe for your reference. An " Overview of points to be followed for hardware installation & connectivity with NSDL" is given in pages 23 & 24 of this annexe. The entry level I.T. set up will include the following :

1. **Hardware** -

1.1 Server Configuration. ( To procure only empanelled brands & model. Refer Equipment procurement details given in section B of this annexe. )

| Sl.No | Components |
|---|---|
| a) | Pentium 166 MHz single CPU or Pentium Pro 200 MHz single CPU(Upgradable to 2 or 4 CPUs) |
| b) | 64MB, 60 nano sec ECC RAM on 1 SIMM |
| c) | 512KB Cache for Pentium 166 MHz or 256KB for Pentium Pro 200 MHz |
| d) | PCI / EISA architecture with min.4 I/O slots |
| e) | 14" SVGA colour monitor with PCI bus ctrl.(with 1 MB VRAM) |
| f) | PCI based Ethernet Combo Card |
| g) | PCI SCSI-II Controller to support RAID-1 to RAID-5 implementation of Hard Disk, DAT & CD ROM. |
| h) | 1 parallel port & 2 fast serial ports. |
| i) | 4mm, 4/8 GB Digital Audio Tape (DAT) drive(HP/Exabytes/Sony) to interface the above SCSI-II controller. |
| j) | CD ROM drive(type 4x) to interface with above SCSI-II Controller |
| k) | 2x2 GB HDD with RAID-1 (mirroring) or 2 GB HDD with RAID-5 implementation & interface to the above SCSI-II controller. |
| l) | 101 Keys Keyboard |
| m) | PS/2 Mouse |

Procedure Number: PID 005
Title: Form E

EXHIBIT VII (a)

**FORM E**

**(see regulations 16)**

**SECURITIES AND EXCHANGE BOARD OF INDIA (DEPOSITORIES AND PARTICIPANTS) REGULATIONS, 1996.**

**APPLICATION FOR GRANT OF CERTIFICATE OF REGISTRATION AS PARTICIPANT**

**SECURITIES AND EXCHANGE BOARD OF INDIA**
**MITTAL COURT, 'B' WING, 1st FLOOR**
**NARIMAN POINT, MUMBAI 400 021**
**INDIA**

---

**INSTRUCTIONS:**

i. This form is meant for use by an applicant for grant of registration as participant.

ii. The form should filled in by the applicant and submitted to the depository in which it is acting as participant, who shall forward it, along with all supporting documents to the Board at its head office at Mumbai.

iii. This application form should be filled in accordance with the regulations.

iv. Application for grant of registration as participant or renewal of such registration, as the case may be, will be considered provided it is complete in all respects.

v. All answers must be typed.

vi. Information which needs to be supplied in more detail may be given on separate sheets which should be attached to the application form.

vii. The application must be signed and all signatures must be original.

viii. The application must be accompanied by an **application fee** as specified the Second Schedule to these regulations.

ix. Every page of the form and every additional sheet **must be initialled** by the authorised signatory of the applicant.

x. All copies of documents should be **attested** as true by an authorised notary.

Procedure Number: PID 005
Title: Form E

# EXHIBIT VII (b)

1. Name, address of the registered office, address for correspondence, telephone number(s), fax number(s), telex number(s) of the applicant and the name of the contact person.

2. Please indicate to which of the categories under sub-regulation (a) of regulation 19, the applicant belongs.

3. (a) Date and place of incorporation or establishment and date of commencement of business (enclose certificate of incorporation, memorandum and articles of association or statutory provisions, if any).

   (b) Details of the activities carried on by the applicant, in India or overseas.

   (c) Details of affiliates and subsidiaries of the applicant operating in India, and activities carried on by them.

   (d) Details of registration with the Securities and Exchange Board of India, the Reserve Bank of India or with any regulatory authority overseas of the applicant, and of its affiliates and subsidiaries operating in India.

   (e) Date of commencement of business in India and overseas (please enclose copies of the Reserve Bank of India's permission, and if applicable copies of approvals from the Central Government to carry on activities mentioned above).

   (f) Type and number of beneficial owners on whose behalf the applicant proposes to act as participant (Financial Institutions, Mutual Funds, Foreign Institutional Investors, Portfolio Managers, Non Banking Finance Companies, Stock Brokers, Corporates, Individuals, or for own account.)

4. Please give the name and SEBI registration number of the depository in which the applicant is to act as participant.

5. Please indicate the names and SEBI registration numbers of all other depositories in which the applicant is acting as participant and the applicant's SEBI registration number as participants in such depositories.

6. Please state whether the applicant, his partner, director or principal officer is involved in any litigation connected with the securities market which has an adverse bearing on the business of the applicant; or has at any time been convicted for any moral turpitude or at any time has been found guilty of any economic offence.

Procedure Number: PID 005
Title: Form E

EXHIBIT VII (c)

7. Please also state whether there has been any instance of violation or non-adherence to the securities laws, code of ethics/conduct, code of business rules, for which the applicant, or its parent or holding company or affiliate may have been subject to economic, or criminal, liability, or suspended from carrying out its operations, or the registration revoked temporarily.

8. Please indicate the net worth and paid up capital in Rs. Crore as per the latest audited financial statements of the applicant (enclose copy).

9. Please indicate services that the applicant is already providing to beneficial owners on whose behalf the applicant proposes to act as participant, and services proposed to be provided to beneficial owners.

10. Please provide the following details regarding staff involved in activities as participant.

    (i) organisation structure;

    (ii) experience and background of key personnel.

11. Please provide the following details regarding safekeeping and security systems and procedures:

    (i) risk control and operations manuals (enclose copies);

    (ii) give details of independent internal control mechanisms for monitoring, evaluation and review of accounting, and reporting systems and procedures.

12. Please provide the following details regarding automatic data processing systems and record keeping:

    (i) details of hardware, software and communications systems, their capability, function and location;

    (ii) details of data storage and back up procedures and sites, their capability, function and location;

    (iii) details of disaster recovery systems and procedures.

13. Details of insurance cover to be taken up.

14. Please indicate the applicant's shareholding for each depository in which it has such shareholding and whether any shareholding is proposed to be acquired in the depository through which this application is being made.

Procedure Number: PID 005
Title: Form E

EXHIBIT VII (d)

15. **Please enclose a copy of an undertaking from the depository in which the applicant is to act as participant that**

(a) the applicant is eligible to act as participant in the depository through which this application is being submitted to SEBI, and meets with the eligibility criteria for participants specified in these regulations and in the depository's bye-laws;

(b) the applicant has adequate automatic data processing systems, adequate and competent staff, risk management systems, procedures and manuals, disaster recovery procedures, secure data storage and off site back up facilities, adequate communications links and insurance; to enable the applicant to fulfil its obligations as participant to the satisfaction of the depository; and

(c) the agreement to be entered into between the participant and beneficial owners has been submitted to the depository is in accordance with the depository's bye-laws.

16. Declaration statement (to be given as below).

We hereby agree and declare that the information supplied in the application, including the attachment sheets, is complete and true.

AND we further agree that, we will notify Securities and Exchange Board of India immediately any change in the information provided in the application.

We further agree that we shall comply with, and be bound by the Securities and Exchange Board of India Act, 1992, and Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, and such other guidelines/instructions which may be announced by the Securities and Exchange Board of India from time to time.

We further agree that as a condition of registration, we shall abide by such operational instructions/directives as may be issued by the Securities and Exchange Board of India from time to time.

For and on behalf of.....
(Name of the applicant)

Authorised signatory ..... .....
(Name) (Signature)

Date:
Place:

Procedure Number: PID 005
Title: Agenda for CAP

EXHIBIT VIII

NOT AVAILABLE AT THIS TIME

Procedure Number: PID 005
Title: SEBI Registration Certificate

EXHIBIT IX

NOT AVAILABLE AT THIS TIME

Procedure Number: PID 005
Title: Notification of SEBI Approval

EXHIBIT X

NOT AVAILABLE AT THIS TIME

Procedure Number: PID 005
Title: Agreement with Participant

EXHIBIT XI (a)

# AGREEMENT BETWEEN THE DEPOSITORY PARTICIPANT AND THE NATIONAL SECURITIES DEPOSITORY LIMITED

This Agreement made and entered into this _____day of_____ between _____ situated at _____ (hereinafter called "Participant") and The National Securities Depository Limited having its Registered Office at the Mahindra Towers, 5th Floor, A Wing, Worli, Mumbai 400 018 ( hereinafter called "NSDL")

**Witnesseth**

**WHEREAS** The Participant has furnished, to NSDL an application for being admitted as a Depository Participant.

**NOW THEREFORE** in consideration of the NSDL having agreed to admit the Depository Participant, into its Depository system, both the parties to this Agreement hereby covenant and agree as follows:

1) The Participant shall abide by the provisions of the Depositories Act 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Bye Laws & Business Rules and procedures of NSDL wherever applicable and comply with any orders, directions or notices which may be issued or prescribed by the Executive Committee of NSDL from time to time in respect of its services and facilities of the Depository system whether of a temporary or permanent nature.

2) The Participant shall continue to be bound by the Bye Laws and Business Rules of NSDL, notwithstanding that it may have ceased to be a Participant, as to all matters and transactions occurring while it was a Participant.

3) The Bye Laws and Business Rules of NSDL shall be a part of the terms and conditions of every agreement, contract or transaction which the Participant may make or have with NSDL.

4) The Participant shall be bound by any amendment to the Bye Laws or Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally a part of the Bye Laws and Business Rules of NSDL, provided however, that no such amendment shall affect the Participant's rights to cease to be a Participant.

5) The agreement and all contracts and transactions effected by the Participant with any other party, or to which the Participant is a party under the Bye Laws and the Business Rules of NSDL or through the facilities of NSDL

shall be governed by and be construed in accordance with the provisions of the relevant laws as well as the rules and regulations of the regulatory bodies having jurisdiction over the Participant applicable from time to time.

6) The Participant shall pay such fees and charges that may be payable to NSDL in accordance with the schedule specified under the Business Rules and any deposits or other amounts payable in accordance with the Bye Laws and Business Rules.

a) In case of any default on the part of the Participant to pay any of the amounts specified above within a period of 30 days from the date of demand, without prejudice to the rights of the Depository to take disciplinary action under Chapter 11 of the Bye Laws, the Participant will be liable to pay interest at such rate at the rate of not more than 24 % or such other rate as may be specified by the Executive Committee from time to time on the amount from the due date of payment of such amount.

b) However, the Executive Committee may permit the payment of such amount even without interest after such due date, provided it is satisfied that there exist sufficient grounds for such delayed payment.

7) The Participant shall not commingle his own holdings held in NSDL with those held on behalf of the Clients . The Participant shall effect any transfer of holdings only if the same is supported by a valid instruction and an adequate audit trail of the same is maintained unless otherwise provided in the Bye Laws .The Participant shall be responsible for every action taken on the basis of any order, instruction, direction or mandate given by the account holder.

8) The Participant shall comply with the time schedule specified from time to time by NSDL for data transfer.

9) The Participant shall comply with such procedures, in case of deposit and withdrawal of securities to and from any of its accounts maintained with NSDL as laid down under the Bye Laws and Business Rules.

10) The Participant shall comply with the requests received from the clients, for dematerialisation and rematerialisation , within such time and in such manner as may be specified in the Business Rules, and shall be required to keep records of the same as laid down by the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

11) The Participant shall keep computerised records in such manner as may be prescribed in the Securities and Exchange Board of India (Depositories and Participants ) Regulations,1996, Bye Laws and Business Rules in respect of its use of any of the services and facilities of NSDL and allow any person duly authorised by NSDL to enter its premises, within the regular business hours on any business day where such records are kept and inspect and take

copies of such records. The Participant shall provide on demand any information to NSDL relating to the contracts and transactions that the Participant may have under the depository system.

12) The Participant shall reconcile its own records with those of NSDL on a daily basis and in such manner as may be specified in the Business Rules.

13) The Participant shall install at its computer center, client server, hardware configuration with system database, communication and application software as prescribed by NSDL.

a) Unless otherwise supplied directly by NSDL, all hardware and software in accordance with prescribed configuration shall be procured by the Participant from NSDL empanelled brands only.
b) The above hardware and software set-up shall be dedicated for NSDL specific application module and even if there is spare processing/data storage capacity, the same shall not be used for any other application including the Participant 's backoffice system.
c) The above hardware may be connected by the Participant to their internal LAN for data transfer purpose.
d) The above hardware shall not be connected by the Participant to their interoffice WAN without the prior written permission of NSDL. NSDL reserves the right to deny such permission if in its opinion granting such permission involves violation of conditions relating to the operations of NSDL's WAN as stipulated by Department of Telecommunications or any other reasons as may be deemed fit by NSDL.
e) The Participant shall carry out modification, upgradation, replacement and deletion for the above mentioned configuration from time to time as may be prescribed by NSDL.

14) The Participant shall maintain such insurance mechanism and coverage, as NSDL may require of its participants from time to time.

15) The Participant shall contribute to the Investor Protection Fund, the Participant Fund and any other fund established to protect the interests of the Clients in the manner laid out in the Bye Laws and Business Rules.

16) The Participant shall comply with such accounting, audit, financial requirements including requirements for submission of periodic returns on its activities in relation to NSDL, in such form and manner and within such time period as may be specified in the Bye Laws and Business Rules.

17) The Participant shall have such system and audit control measures including setting up of separate internal controls, audit department for regularly reviewing its internal operations, as laid down under the Bye Laws and Business Rules.

Procedure Number: PID 005
Title: Agreement with Participant

EXHIBIT XI (d)

18) The Participant shall pay NSDL such amount as may be specified by the Executive Committee in this regard to compensate for any loss incurred by the Client due to any act of omission, commission, negligence, misfeasance, fraud, willful misconduct, errors or default on its part as a Participant or any of its employees in relation to the operations of the Depository.

19) The Participant shall indemnify NSDL, in respect of securities credited in its own account towards:

a) losses, liabilities and expenses arising from claims of third parties and from taxes and other governmental charges; and,

b) any other related expenses in respect of such securities as determined by the Executive Committee.

20) The Participant shall provide such information relating to account holders as may be required by NSDL from time to time.

21) NSDL is authorised to provide at any time to the Issuer, the details of any credit to the Participant 's own accounts as well as the account of Client in NSDL, including its name, and the number of securities and is also authorised to provide similar information to any appropriate governmental authority in this regard.

22) The Participant shall notify NSDL within seven days, of any change in the details set out in the application form submitted to NSDL at the time of admission or furnished to NSDL from time to time.

23) The Participant shall notify NSDL forthwith :-

a) in case the Participant is an individual, in the event of its incapacity to act as such Participant;
b) in case the Participant is a partnership firm, in the event of its dissolution;
c) in case the Participant is a body corporate when it is being wound up;
d) upon its becoming aware of the presentation of any petition for its bankruptcy, liquidation or attachment of its property;
e) upon its becoming aware of any bankruptcy order against it or in the event of any distress, execution or other process being levied or served upon or against its property;
f) in the case of any change in its financial conditions which may lead to its bankruptcy or if it suffers a composition with its creditors;
g) on the convening of any meeting to consider a resolution for the appointment or purported appointment of a receiver or administrator in respect of any of its property, or any other change in circumstances material to its participation in the depository system.

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Procedure Number: PID 005
Title: Agreement with Participant

EXHIBIT XI (e)

24) The Participant shall resolve any investor grievance which has been received against the Participant or NSDL and submit a report of the grievances resolved to NSDL and Securities and Exchange Board of India in accordance with the period stipulated in the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996.

25) The Participant and NSDL shall abide by the arbitration and conciliation procedure prescribed under the Bye Laws of NSDL and that such procedure shall be applicable to any disputes between the Participant and NSDL.

26) The Participant and NSDL further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye Laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the courts at Mumbai only.

**IN WITNESS WHEREOF** the Participant and the National Securities Depository Limited have caused their presence to be executed as of the day and year first above written.

Witnessed By _____

_____

_____
(Signed For & on Behalf of the Participant)

Witnessed By _____

_____

By _____
(Signed For & On Behalf of National Securities Depository Limited)

Date: _____
Place: _____

Identification Code: PID006
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Assist in procurement and installation of hardware for Participant

PURPOSE: To assist in setting up and monitoring the purchase of the hardware equipment at the Participant's office. To assist in procuring a VSAT connection to enable the Participant to connect to the NSDL System.

PROCEDURE:

Officer

1. Coordinates with Systems Dept to monitor the Participant's purchase of hardware to ensure that it conforms to NSDL's requirements.

NOTE: The hardware details and recommended vendors is provided to the Participant as part of the Introductory Kit.

2. Follows up with Participant to receive Form A (Exhibit I) which contains basic information on the Company.

3. Follows up with Participant to receive Form A1 (Exhibit II) just before they place the hardware order.

4. Verifies with the Networking Dept. that the equipment listed in Form A1 conforms to NSDL requirements.

5. Helps the Participant procure a VSAT connection through NSEIL.

6. Receives payment for the VSAT connection, the VSAT Undertaking (Exhibit III) and No Objection Certificate (NOC) (Exhibit IV) and forwards these to the Membership Department of NSEIL.

NOTE: NSEIL informs their service provider HCLComnet to conduct a site survey after which they give a clearance to install the VSAT. NSEIL then delivers and activates the VSAT.

7. Contacts NSEIL to confirm when the VSAT connection is activated.

Procedure Number: PID 006
Title: Form A

EXHIBIT I

**NATIONAL SECURITIES DEPOSITORY LIMITED**

***FORM A***

***Nature of Business Partner -*** Participant / ~~Share Registrar~~

| | |
|---|---|
| ***Name*** | |
| ***Place of Operation (full address)*** | |
| ***Contact Persons - Systems (Name & Designation)*** | |
| ***Tel. No.*** | |
| ***Fax. No.*** | |
| ***Contact Persons - Operations (Name & Designation)*** | |
| ***Tel. No.*** | |
| ***Fax. No.*** | |

***Dated***

***Name & Designation***

***Signature***

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Procedure Number: PID 006
Title: Form A1 - Hardware Procurement Information
Exhibit II

**Hardware Procurement Information**
***(Form A1)***

**Business Partners Name :**
**Nature Of Operations** : **DP / SR / CC**
**NSE Member** : **(Y/N)**
**Postal Address** :

**Hardware Procurement Information.**

| No | Equipment | Brand | Model | Operating System | Vendor Name | P. O. Date | Expected Delivery Date |
|---|---|---|---|---|---|---|---|
| 1. | Server | | | Win' NT 4.0 | | | |
| 2. | Client | | | Win' 95 | | | |
| 3. | Printer | | | NA | | | |
| 4. | Router '*' With Cable | | | '**' | | | |
| 5. | Modem | | | NA | | | |

**It is mandatory to acquire hardware equipment of the Empanelled brand & specific models with the detailed configuration specified by NSDL.**

'*':- While ordering CISCO router (Model 2501) please note that a 'Transceiver (AUI to UTP or AUI to BNC)' should be ordered for connecting Router in LAN, depending upon LAN set-up with UTP or Thin Ethernet type. Also it may be noted that a V.24 cable for CISCO & MOTOROLA routers for 'VSAT' users and V.35 custom made cable for 'Leased Line' users should be ordered.

'**':- Operating System for CISCO Router is IOS Ver 11.1.4 with IP feature only. For Motorola Router the Operating System comes preloaded.

**Name (Procurement / System Incharge)** _____

**Designation** _____

**Signature & Date** _____

**Please affix your office seal here**



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Procedure Number: PID 006
Title: VSAT Undertaking Agreement
EXHIBIT III

# VSAT UNDERTAKING

1. Enclosed VSAT undertaking should be stamped as an agreement and notarized. Please use Non Judicial stamp paper of Rs. 100/- or the value prevailing in your state (whichever is higher). Please type the following on the stamp paper as the first page and sign

Undertaking cum Indemnity

This Non Judicial Stamp paper of Rs. _____ forms part and parcel of this undertaking cum indemnity submitted to the National Stock Exchange of India Limited by

Mr./Mrs./Ms _____ on _____ day of _____ 1997

* Signature

* To be signed by the person(s) signing the VSAT undertaking enclosed herewith

---

2. Please type the following on the last page of the agreement (below the Common Seal )

The common seal of _____

_____

was hereunto affixed pursuant to a resolution passed at a meeting of the Board of Directors of the company held on the _____ day of _____, 1997.
in the presence of ** _____

Signature

(Name and Designation)

**CHAPTER VII OTHER PROVISIONS** ..... **33**

ARTICLE 25 OTHER PROVISIONS ..... 33

**DECREE OF THE PARLIAMENT OF THE REPUBLIC OF INDIA ON ENACTMENT OF SECURITIES LAW** ..... **33**

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Procedure Number: PID 006
Title: NOC Certificate

EXHIBIT IV

## ANNEXURE - A

NO OBJECTION CERTIFICATE FOR INSTALLATION OF DISH ANTENNA

**(to be obtained from owner/society authorities of the building)**

**National Stock Exchange of India Limited**
Mahindra Towers, RBC,1st Floor, "A" Wing
Worli, Mumbai 400 018

Name of the Company:

Registered Office Address:

Office Address:
(site earmarked for
VSAT Installation)

Contact Person:

Phone No.:

Fax No.:

We hereby declare that the above mentioned building/premises where the VSAT and Dish Antenna for the use of _____ (Name of the Company) will be installed, belong to us and we have no objection to your installing the said equipment.

**Authorised Signatory :**

**Dated :** **Seal of the Organisation :**

*Note : Kindly forward this document to NSDL for onward transmission to NSEIL*



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Identification Code: PID007
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Establishing connectivity with the Participant

PURPOSE: To co-ordinate between the various departments of NSDL and with the Participant to complete the documentation required and obtain the necessary authorisations to install the application software and establish system connectivity between the two entities.

NOTE: The original of Form A is received and kept with the Participant Interface Department, Form B with the Networking Department and Form C1 and C2 with the Systems Department. Copies of the entire set of forms is maintained with all these three Departments. (Except that Form C1 and C2 are not maintained by the Participant Interface Dept.)

PROCEDURE:

Officer

1. Forwards Form B - Hardware procured and installed (Exhibit I) to the HOD - Networking Department whose HOD certifies that the equipment installed conforms to NSDL requirements.

NOTE: The Hardware Dept. assigns an IP address and enters it on Form B and establishes connectivity between the Participant's and NSDL' s Systems.

2. Distributes certified Form B to
a. Vice-President - Operations/Participant Interface and
b. Vice-President - Systems.

3. Liaises with Participant to send designated staff to NSDL to attend the Training Course.

4. Receives Form C1 (Declaration for system software configuration, availability of skilled staff and accessories) completed by the Participant. (Exhibit II)

5. Forwards Form C1 to the Systems Department which is then signed off by the HOD - Systems confirming that the Participant has the required qualified staff.

6. Receives the completed Form C2 - Software installation status report (Exhibit III) from the Participant which is a checklist which was filled in while installing the software.

7. Sends completed and signed Form C2 to the Systems Dept.

NOTE: The Systems Dept. checks that the software has been loaded successfully, by logging in remotely.

8. Maintains file of related documentation for future reference.



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Procedure Number: PID 007
Title: Form B

EXHIBIT I (a)

**Declaration for the hardware procured & installed for NSDL project**

**FORM-B**

**Company Name** : _____
DP / SR / CC : _____
NSE Member : (Y / N)

| **Components** | | | **Mark as 'Yes' or 'No'** | **If 'No' than Specify the details** |
|---|---|---|---|---|
| **Server Installation** | Brand | Empanelled Brand | Make - | |
| | Processor | Pentium / Pentium Pro | Model - | |
| | Speed | 166 MHz / 200 MHz | | |
| | Memory | 64 MB ECC | | |
| | Cache | 512 KB / 256 KB | | |
| | Storage Device | 2 X 2 GB SCSI-II | | |
| | Fault Tolerance | RAID –1 / RAID -5 | | |
| | Controller | PCI F&W SCSI-II RAID Controller Supporting RAID-1 To RAID-5 | | |
| | Backup Device | 4mm,4/8 GB DAT Drive. | | |
| | Backup Device | Tested Backup / Restore | | |
| | Make | HP / Exabyte / Sony | | |
| | Ethernet Card | PCI Combo Card | | |
| | CD ROM | Quad Speed ( 4X ) | | |
| | Mouse | PS 2 (On PS 2 Port) | | |
| | Keyboard | 101 Keys Standard. | | |
| | Monitor | SVGA Colour Monitor | | |
| | VGA Card | PCI , With 1 MB VRAM | | |
| | | | | |
| **Server Software** | Operating System | Windows' NT Ver 4.0 | | |
| | | Configured NT In PDC. | | |
| | Registration | Is the Software Registered | | |
| | Anti Virus | Server Based Anti Virus | Make - | |
| | | | | |
| **Client For Server** | Brand | Empanelled Brand | Make - | |
| | Processor | Pentium | Model - | |
| | Speed | 100 MHz / 133MHz | | |
| | Memory | 32 MB EDO | | |
| | Cache | 256 KB | | |
| | Storage Device | 630 MB or 1 GB IDE | | |
| | Controller | PCI – IDE | | |
| | Ethernet Card | 16 Bit / PCI COMBO. | | |
| | Mouse | PS 2 (On PS 2 Port) | | |
| | Keyboard | 101 Keys Standard. | | |
| | Monitor | SVGA Colour Monitor | | |
| | VGA Card | PCI , With 1 MB VRAM | | |
| | | | | |
| **Client Software** | Operating System | Windows' 95 for client | | |
| | Registration | Is the Software Preloaded | | |
| | Anti Virus | Client Based Anti Virus | Make - | |

Procedure Number: PID 007
Title: Form B

# EXHIBIT I (b)

**Declaration for the hardware procured & installed for NSDL project**

**FORM-B**

| Components | | | Mark as 'Yes' or 'No' | If 'No' than Specify the details |
|---|---|---|---|---|
| **Printer** | Laser Jet | HP – 5P / 5 Si. | | |
| | Desk Jet | HP - 600 / 660C / 690C | | |
| | | | | |
| **Network Equip.** | Router | Empanelled Brand | | |
| | Router Make | Cisco / Motorola | | |
| | Router Model | 1005 / 2501 / VG 300 | | |
| For VSAT Users. | Cable ( To IDU) | V.24 Cable For Cisco / V.24 Cable For Motorola | | |
| For Leased Line Users. | Cable ( To DTU) | V. 35 Custom Made | | |
| | IOS (For CISCO Router Only) | IP Feature Set Only Version 11.1.4 | | |
| | VSAT | Antenna Installation | | |
| | Cabling | Antenna to IDU | | |
| | Backup for Above | Dial-Up Modem | Make - | |
| | | | Tel. No.- | |
| | | | | |
| **UPS** | Make | APC | | |
| | Capacity | 2 KVA | | |
| | Connected to | Server | | |
| | | Clients | | |
| | | Router | | |
| | | Printer | | |
| | | IDU | | |
| | | | | |
| **Environment** | VSAT | VSAT ID Number - | | |
| | | | | |
| | | | | |
| | Router | Configured & Tested | | |
| | | Local X.25 Address | | |
| | | Serial Port IP Address | | |
| *( To Be Filled By* | | Ethernet Port IP Addr. | | |
| *NSDL Office Only)* | | | | |
| | Server | NT server IP Address | | |
| | | | | |
| | Central Site | Host IP Address | | |
| | | Central Site IP Address | | |
| | | Next Hop IP Address | | |

**Systems Incharge Name:**_____ **Signature:** _____ **Date:**

**Head of DP/SR/CC Name:**_____ **Signature:** _____ **Date:**

| *FOR NSDL USE ONLY* | | |
|---|---|---|
| **Certified for Software installation** | **Signature :** | **Date :** |

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Procedure Number: PID 007
Title: Form C1

EXHIBIT II (a)

## ANNEXURE-X

### FORM C1

DECLARATION FOR SYSTEM SOFTWARE CONFIGURATION, AVAILABLITY OF SKILLED STAFF & ACCESSORIES

General Instructions

1. To be filled after Windows NT installation and configuration.
2. After filling it address it to Assistant Manager (Systems).
3. Installation of application software will not be initiated until filled C-1 form is sent to NSDL.
4. If space is inadequate then write details in separate sheet and attach it with the form.

-A- What is the composition of your system and computer operation staff for NSDL operation? ( Please give no. of persons available for appropriate positions )

| | | | |
|---|---|---|---|
| System administrator | | Staff trained on Windows NT | |
| Computer operation Staff | | Staff trained on SQL Server | |
| No. of Microsoft Certified Engineers (MCSE) | | | |

-B- The recommended minimum skills that the system administrator at BP side should have for an efficient and smooth functioning of the system are listed below ( Please tick in front of the expertise available with the system administrator )

*WINDOWS NT AND NETWORKING CONCEPTS*

- ❑ Familiarity with WINDOWS NT,WINDOWS 95 environment
- ❑ Basic concept of domains and IP addressing
- ❑ Creating user accounts
- ❑ Implementing security on files and resources
- ❑ Interpreting event log and taking backup of event log
- ❑ Preventive measures against system breakdown
- ❑ Backup and restoring of data

*SQL SERVER*

- ❑ Basic RDBMS concepts
- ❑ Familiarity with SQL server tools like SQL enterprise manager , isql/w
- ❑ Monitoring SQL activity using performance monitor
- ❑ Backup and restore of SQL databases using enterprise manager
- ❑ Interpreting SQL server error log

-C- If present staff does not have skills mentioned above, please indicate:

When is the training planned for staff : _____

Duration of training : _____

Procedure Number: PID 007
Title: Form C1

# EXHIBIT II (b)

Name of the institute : _____

-D- How many people have access to NT Console (administration password) ? ☐

-E- System staff details

| | Shift-1 | | Shift-2 | | Shift-3 * | |
|---|---|---|---|---|---|---|
| | Name | No. | Name | No. | Name | No. |
| System Administrator | | | | | | |
| Database Administrator | | | | | | |
| Operators | | | | | | |
| | | | | | | |
| | | | | | | |
| | From | To | From | To | From | To |
| Shift Timings | | | | | | |

** Note: Shift-3 would be required in case of extended production hours when EOD may be delayed.*

-F- Have you received following documents ? (If received please tick mark)

☐ Operation ☐ SR User Manual ☐ System Administrator handbook

-G- Please mention your System date and Time Zone : _____

-H- Which virus protection s/w you are using ?

Server : _____

Node : _____

**-I- On behalf of my organization, I undertake to provide for the following, as on the date of admission to NSDL, as a Depository Participant**

- No other application apart from the " NSDL DPM Application" has been installed and running on the hardware (i.e. Server as well as Nodes) procured for the purpose of NSDL DPM Application.
- A fire proof cabinet for storing DATs has been acquired by us : ☐ Yes ☐ No
- Plan to acquire the said cabinet by : / / (Date)
- Remote Backup DATs will be stored at (location name) ☐
- One set of backup DATs will be rotated to the Remote location on a daily basis
- We have the stock of DATs for the purpose of Backup with the following specifications

Procedure Number: PID 007
Title: Form C1

EXHIBIT II (c)

| | | | |
|---|---|---|---|
| Total No. | | DAT Specification | |
| Manufacturer Name | | | |
| Date of Acquisition | / / | (currently not in stock) | |

**Signature** **Date**

**Name** _____

**Organization** _____

(For Office use only)

**Verified by**

**Signature** **Date**

**Name** _____

Procedure Number: PID 007
Title: Form C2

EXHIBIT III (a)

# ANNEXURE-XI

## FORM C2

S/W INSTALLATION STATUS REPORT

**General Instructions :**

1. Form C2 is a checklist which helps you to go through your installation procedure
2. Form C2 is to be filled while carrying out installation procedure
3. In case of discrepancies mark in Form C2 where ever required

**Client:** _____ **Date:** _____

**Status [TEST /LIVE]:** _____

| COMPONENTS | STEPS | CHECK (Y/N) |
|---|---|---|
| 1) DRIVE (where Win NT installed) | C:\ ( NTFS ) | |
| 2) SERVER INSTALLATION : | Check following directories :_ | |
| | \APLNINST | |
| | \BACKUP | |
| | \BACKUP_CODE | |
| | \BACKUP_OLD | |
| | \DLLS | |
| | \DPINSTAL | |
| | \INTERFACE | |
| | \IOMANAGE | |
| | \NSDLCOMM | |
| | \SQLSERVER_INSTALL | |
| 3) SQL SERVER 6.5 | | |
| | a)Check if size of Master DB Device as 50MB. | |
| | b)Check the options-: | |
| | Auto start SQL Server at boot enabled | |
| | Auto start SQL Executive at boot enabled | |
| | c)Check the options-: | |
| | install to log on as Local System Account clicked | |
| | d)Check if the server is started Using Service Manager in SQL Server 6.5 group | |
| | e)Check if the server is Registered using Enterprise Manager in SQL Server 6.5 group | |
| 4) SETUP(ODBC) On Server | | |
| | Click on the ODBC icon in Control Panel | |
| | a)Check the following information at the appropriate places | |
| | (Click on the OPTIONS button to get the database name) | |

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Procedure Number: PID 007
Title: Form C2

EXHIBIT III (b)

| | | |
|---|---|---|
| | DATA SOURCE NAME = DPM | |
| | SERVER = SERVER NAME | |
| | DATA BASE NAME = NSDLDPM | |
| | b)Check Use Trusted Connection is enabled (CROSSED ) | |
| system DSN : | a) DSN = NSDL | |
| | Server = Local | |
| | Database = NSDLDPM | |
| | b)Check Use Trusted Connection is enabled (CROSSED ) | |
| | c) Check Convert OEM to ANSI char. Is disabled (not marked) | |
| 5) DATABASE INSTALLATION | | |
| | Go to SQL Enterprise Manager in SQL Server 6.5 and click on '+' sign near server name | |
| | click on '+' sign near Databases | |
| | a)Check 'NSDLDPM' Database present | |
| | click on '+' sign near NSDLDPM | |
| | click on '+' sign near objects | |
| | b)Check Tables in NSDLDPM Data Base | |
| | c)Check Stored Procedures in NSDLDPM Data Base | |
| 6)COMMUNICATION | | |
| | a)Check \iomanage\input\rexec\dpcfg | |
| | b)Check \iomanage\output\texec\dpcfg | |
| | c)Check \interface\dptrans.exe | |
| | d)Check \interface\dprec.exe | |
| **CLIENT INSTALLATION:-** | | |
| 1)SETUP (ODBC) | | |
| | Click on the ODBC icon in Control Panel | |
| | a)Check the following information at the appropriate places | |
| | (Click on the OPTIONS button to get the database name box) | |
| | DATA SOURCE NAME = DPM | |
| | SERVER = SERVER NAME | |
| | DATA BASE NAME = NSDLDPM | |
| | b)Check Use Trusted connection is disabled. | |
| 2)APPLICATION SOFTWARE | | |
| | a)Check \crystal directory & *.rpt files in the same directory. | |
| | b)Check DPM.INI file in \windows | |
| | c) open \windows\DPM.INI in notepad | |
| | check following | |
| | Contents of [DPM] | |
| | DSN = DPM | |
| | DB NAME = NSDLDPM | |
| | d)Check shortcut for \program files\nsdl_dpm\nsdl_version11 on desktop | |
| 3) NO. OF NODES INSTALLED | | |
| 4) AFTER SUCCESSFUL INSTALLATION... | Ensure that you should have windows-NT35 directory backup with REGISTRY. | |
| | 2. **Create C:\REPORTS** directory on each client. | |
| | Take a **soft copy or hard copy** of **c:\dpinstal\chklist.out** | |

Procedure Number: PID 007
Title: Form C2

EXHIBIT III (c)

| | | |
|---|---|---|
| | 4. Delete the **DPINSTAL & DLLS** from the server | |
| | 5.SA PASSWORD was set to NULL. You have to change the password. Changed ? (y/n) | |

**User Details**

1. No. of Users on Windows NT & SQL Server with 'Rights'
   (Shift wise authorisation levels & names )

2. Are separate passwords assigned to different users (Y/N)

3. No. of Users on Application with authorisation level

| AUTHORISATION LEVEL | No. |
|---|---|
| ADMINISTRATOR | |
| MANAGER | |
| OFFICER | |
| EXECUTIVE | |
| OPERATOR | |

**Prepared by** :_____

**Signature** : _____

**( To be filled up by NSDL )**

**Date** : _____

**Checked by** : _____

**Signature** : _____

Identification Code: PID008
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Participant Master Creation and Move to Production

PURPOSE: To enter the master file information into the system, monitor testing and move the Participant to the Production System.

PROCEDURE:

Officer 1

1. Retrieves Form A submitted earlier by the Participant from the file. (Exhibit I)

2. Enters the Participant Master information into NSDL's Development System on the basis of Form A and other details supplied by the Participant using screen BA01. (Exhibit II)

3. Assigns the BP-ID (Business Partner ID) and LUD ID (Logical Unit Devices ID) for pilot testing.

4. Notifies Participant that account is set up in the Development System by phone.

NOTE: The Systems Dept. sends the DATs to the Participant with NSDL's Depository Participant Module (DPM) and with an instruction manual on how to load the software. This is installed by the Participant. The Help Desk provides the necessary help while installing.

5. Monitors pilot testing by Participant.

NOTE: The Participant enters dummy transactions into the system as instructed by the co-ordinator. The pilot testing comprises of completing 3-4 cycles on the test bed. After successful completion of the test run, the Systems Dept. signs Form D (Part I) - Test Run Report, authorising the Participant to be moved into the production environment.(Exhibit III)

6. Checks that the Agreement has been signed and SEBI Registration has been obtained.

7. Receives payment from Participant to NSDL for the following:

a. Entry fee
b. Security Deposit
c. Fees for application software
d. Insurance Premium

8. Receives payment from Participant to SEBI for the following:
a. SEBI Registration fee
b. Annual fee

9. Forwards both the payments to the Accounts Dept.

10. Reassigns BP-ID and LUD ID for the Production System and enters this into a register maintained on an Excel sheet.

11. Enters these IDs on Form D (Part II) Production Installation Authorisation Form. (Exhibit IV)

Officer 2

12. Verifies the information entered.

Officer1

13. Notifies Participant that account is set up in the Production System by phone.

14. Activates Participant on the production system by changing the flag on the BB01 screen. (Exhibit V)

15. Forwards Form D (Part II), which is an internal form to the HOD - Operations for authorisation.

16. Receives the signed form from HOD-Operations.

17. Forwards the authorised form to the Systems Department authorising them to transfer the Participant to the live environment.

NOTE: The Systems Dept. forwards the "Test to Live Procedure" to the Participant. The Participant follows this procedure and co-ordinates with the Help Desk if he encounters any difficulty with the procedure.

18. Receives notification from the Participant that the procedure has been completed.

19. Informs Marketing Department that the Participant is now in the live environment.



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NOTE: The Marketing Department then issues a press release on the following Monday.



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Procedure Number: PID 008
Title: Form A

EXHIBIT I

**NATIONAL SECURITIES DEPOSITORY LIMITED**

***FORM A***

***Nature of Business Partner -*** Participant / ~~Share Registrar~~

| | |
|---|---|
| ***Name*** | |
| ***Place of Operation (full address)*** | |
| ***Contact Persons - Systems (Name & Designation)*** | |
| ***Tel. No.*** | |
| ***Fax. No.*** | |
| ***Contact Persons - Operations (Name & Designation)*** | |
| ***Tel. No.*** | |
| ***Fax. No.*** | |

***Dated***

***Name & Designation***

***Signature***

Procedure Number: PID 008
Title: Participant Master File Screen
EXHIBIT II (a)

```
BA011E    BA01        BUSINESS PARTNER ADMINISTRATION        29.07.1997 11:37
INQUIRE                     PRIMARY DETAILS - 1              X  05A0     X001
-----------------------------------------------------------------------------
BUSINESS PARTNER . . . . . IN.300'003  +                                    A

SHORT NAME . . . . . . . . TEST DP1
ADDITIONAL NAME. . . . . .

PLACE. . . . . . . . . . .
CATEGORY . . . . . . . . . 4  +          STOCK BROKERS

COMPANY. . . . . . . . . .        +
COMPANY LONG NAME. . . . :


NETWORTH . . . . . . . . . 300'000'000'000.00
HOLDING LIMIT. . . . . . . 00025
ALERT% . . . . . . . . . . 80.000000


COMMAND ===>
F1=HELP   F2=FSHOW   F3=EXIT   F13=ADD   F14=MOD   F17=DEL   F18=FRZ   F19=ACT
```

Procedure Number: PID 008
Title: Participant Master File Screen
EXHIBIT II (b)

```
BA021E    BA02        BUSINESS PARTNER ADMINISTRATION        29.07.1997 11:37
INQUIRE                     ADDRESS DETAILS -  1             X  05A0     X001
-----------------------------------------------------------------------------
BUSINESS PARTNER. . . . . IN.300'003  +  TEST DP1                            A
ADDRESS NUMBER. . . . . . 01  +                                              A

DEFAULT ADDRESS . . . . . Y  (Y-YES, N-NO)
ADDRESS . . . . . . . . . FFFF
                          ____________________________________
PLACE . . . . . . . . . . GFGFGF
POSTAL CODE . . . . . . . 777777
POST OFFICE BOX NUMBER. . ____________

FULL POSTAL ADDRESS . . :  FFFF
                           GFGFGF 777777


COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

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Procedure Number: PID 008
Title: Participant Master File Screen
EXHIBIT II (c)

```
BA022E    BA02        BUSINESS PARTNER ADMINISTRATION        29.07.1997 11:37
INQUIRE                     ADDRESS DETAILS - 2              X  05A0     X001
-----------------------------------------------------------------------------
BUSINESS PARTNER. . . . :  IN.300'003    TEST DP1                          A
ADDRESS NUMBER. . . . . :  01                                              A

CONTACT PERSON. . . . . . _____________________________________
TELEPHONE NUMBER. . . . . _________________________
TELEX NUMBER. . . . . . . _________________________
TELEFAX NUMBER. . . . . . _________________________

LUD ID. . . . . . . . . . 0005  +            (LUD ID OF CM : CMLU )
AUTOMATIC DOWNLOAD IND. . Y  (Y-YES, N-NO)
                          ...................OUTPUT  MEDIA ....................
                             NORMAL  +   BACKUP   +        CURRENTLY ACTIVE +

DATA FORMAT OUTPUTS . . . 74 VSAT          41 CARTRIDGE     41 CARTRIDGE
PRINT FORMAT OUTPUTS. . . 10 PAPER         31 TAPE-1600     10 PAPER


COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F5=REFRESH   F12=CANCEL
```

Procedure Number: PID 008
Title: Participant Master File Screen
EXHIBIT II (d)

```
BA031E    BA03        BUSINESS PARTNER ADMINISTRATION        29.07.1997 11:39
INQUIRE                        LUD DETAILS                   X  05A0     X001
-----------------------------------------------------------------------------
BUSINESS PARTNER. . . . . IN.300'003  +  TEST DP1                          A
LUD ID. . . . . . . . . . 0005  +

OWNER FLAG. . . . . . . . 2  (1-NSDL, 2-BP)
LUD TYPE. . . . . . . . . 2  (1-NON NETWORK, 2-VSAT, 3-OTHER NETWORK LUDS)
NETWORK MEDIA CODE. . . . 74  +  VSAT
NETWORK NAME. . . . . . : VSAT
        ADDRESS . . . . . 195.1.1.30
RECEIVE CREDIT. . . . . . 0005
PREVIOUS BOD EOD RQD FLG. N  (Y/N)            BOD-END-MSG . . : Y
ENCRYPTION IND (NET). . . Y  (Y/N)            EOD-START-MSG . : Y
ENCRYPTION IND (MAG). . . Y  (Y/N)            EOD-END-MSG . . : Y

MESSAGE VERSION DETAILS

  CURRENT VERSION . . . . 1  +   VERSION 1
  NEW VERSION . . . . . . __  +
  EFFECTIVE DATE. . . . . __________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

Procedure Number: PID 008
Title: Participant Master File Screen
EXHIBIT II (e)

```
BB011R    BB01        BUSINESS PARTNER ADMINISTRATION        29.07.1997 11:3
INQUIRE                        ROLE DETAILS                  X  05A0     X001
-----------------------------------------------------------------------------
BUSINESS PARTNER. . . . . IN.300'003  +  TEST DP1
ROLE. . . . . . . . . . . . 01  +        DEPOSITORY PARTICIPANT

NO. OF DAYS SHARE REGISTRAR TO CONFIRM
  DEMAT ORDER . . . . . . ____
  REMAT ORDER . . . . . . ____

CLEARING MEMBER
  ASSOCIATE DP  . . . . . ___________ +
  CLEARING CORP ID  . . . ___________ +
  CLEARING MEMBER ID  . . ________________                DEFAULT. . . __

ADDRESS NUMBER. . . . . . ___ +

EFFECTIVE DEL DATE  . . . ___________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

Procedure Number: PID 008
Title: Form D (Part I)

EXHIBIT III

SHAH INVESTORS

| FORM D PART 1 | | |
|---|---|---|
| TEST RUN REPORT | | |
| BP :Shah Investors | | |
| | Nos | REMARKS |
| **Test Criteria** | | |
| **User Profile** | | |
| No of Users Created | 3 | 6 user groups created |
| | | |
| **Client Master** | | |
| No of Client Accounts | 13 | |
| No of House Accounts | 1 | |
| No of CM Acounts | 2 | |
| | | |
| **Demat Request** | | |
| No of Demat Request Sent | 25 | |
| | | |
| **Demat Orders Confirmed at NSDL Test SHR** | | |
| No accepted | 14 | |
| No Rejected | 5 | |
| No Partially Confirmed | 5 | |
| | | |
| **Remat Request** | | |
| No of Remat Request Sent | 7 | |
| | | |
| **Remat Orders Confirmed at NSDL Test SHR** | | |
| No. accepted | 2 | |
| No Rejected | 1 | |
| No Partially Confirmed | 1 | |
| | | |
| **Inter transfers** | 6 | |
| No of Client -Client transfer | 1 | |
| No of Client -House/House-Client transfers | 2 | |
| No of Client- CM transfers | 2 | |
| No of CM-Client transfers | 0 | |
| No of House-House transfers | 1 | |
| | | |
| | | |
| **Intra transfers** | 10 | |
| No of Client to -Client transfer | 0 | |
| No of Client -House transfers | 5 | |
| No of Client- CM transfers | 4 | (both from normal and house) |
| No of CM-Client transfers | 1 | |
| No of House-House transfers | 0 | |
| | | |
| | | |
| Delivery Out Order received from DP | 5 | |
| Delivery Out Statement sent to CC | 2 | |
| | | |
| Receipt In statement Received from Test CC | 2 | |
| Receipt In Order sent to DP | 3 | |
| | | |
| | | |

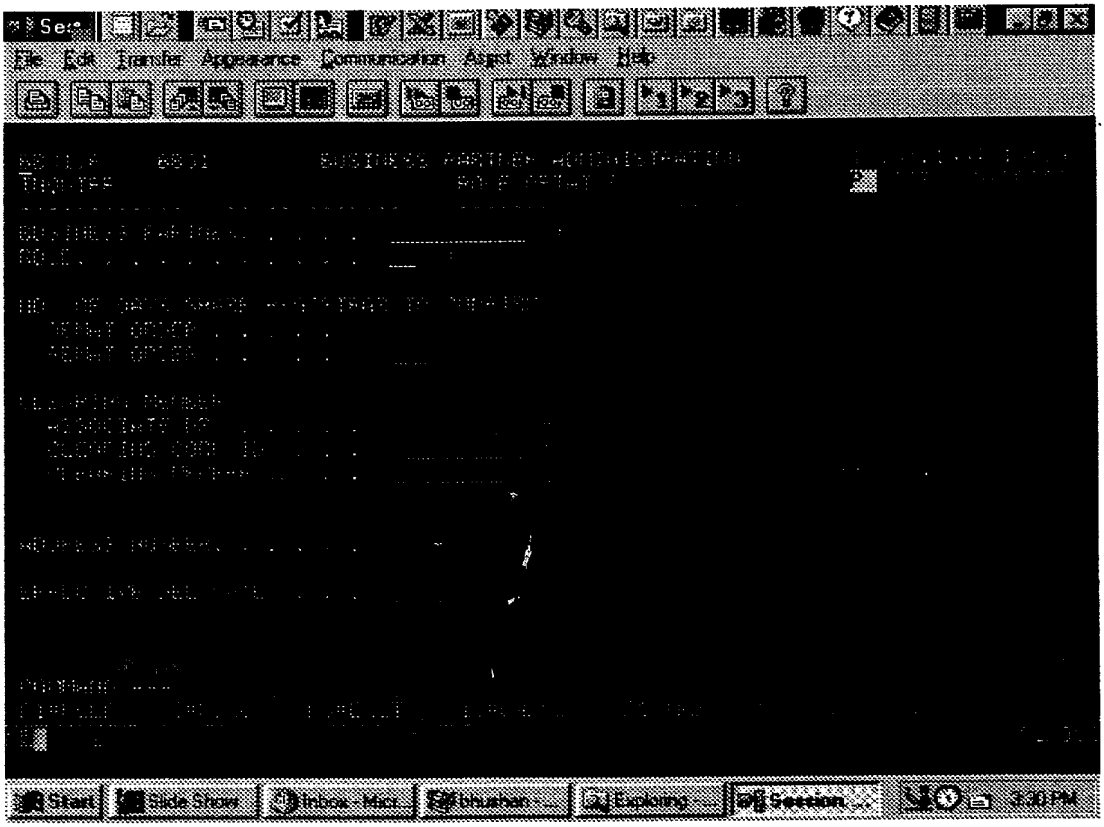
READY TO GO LIVE

Procedure Number: PID 008
Title: Form D (Part II)

EXHIBIT IV

| | | |
|---|---|---|
| **NATIONAL SECURITIES DEPOSITORY LIMITED** | | |
| Date | **FORM D (Part II)** | |
| **Production Installation Authorisation** | | |
| 1 | Nature of Business Partner | Participant |
| 2 | Name | |
| 3 | SEBI Registration | Yes/No |
| 4 | Fees, Charges, Deposit, etc. recd | Yes/No |
| 5 | Form B is received from IT(N/W) | Yes/No |
| 6 | Form D (Part I) is received from IT(SYS) | Yes/No |
| 7 | Name of the Contact Person | |
| 8 | Nature of Connectivity | Vsat/Leaseline |
| 9 | TCP IP address of NT Server | |
| | Name of the screens through which database additions will be made in accordance with relevant supporting supporting papers. | BA01, BA02, BA03 & BB01. |
| | **Captured_by (Name and User Id)** | |
| | Signature and date | |
| 1 | BP Id | |
| 2 | LUD Id | |
| | **Activated_by (Name and User Id)** | |
| | Signature and date | |
| | Remarks (if any) | |
| | **Manager** | |
| | **HOD** | |
| | **(for use by Systems Department only)** | |
| | Whether the BP-Id has been entered in the dial-up server | Yes/No |

Procedure Number: PID 008
Title: BB01 Screen to Activate Participant
EXHIBIT V



Identification Code: PID009
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Corporate Actions - Cash and Non-Cash Distributions

PURPOSE: To facilitate the processing of cash and non-cash distributions based on Depository holdings.

BACKGROUND: Corporate actions are benefits given by a company to its share-holders. The benefits arising to the investors out of the corporate actions may be either cash (dividend, interest etc.) or non-cash (rights, bonus, conversions etc.). NSDL facilitates implementing corporate actions for electronic securities. The issuer announces a record date or book closure period for the corporate actions.

In case of cash corporate benefits, NSDL will give the beneficiary ownership details to the Issuer/R&T Agent to enable the Issuer/R&T Agent to calculate the benefits arising out of the beneficial owner's holdings. The Registrar updates all the accounts as of the record date/ book closure date and then calculates the entitlements due to each account. The Issuer/R&T Agent will carry out the necessary processing and the distribution of these benefits will be outside the system.

In case of non-cash corporate benefits, NSDL will give the beneficiary ownership details to the Issuer/R&T Agent after reconciliation. The Issuer/R&T Agent will carry out the necessary processing and upload the beneficiary ownership to NSDL. NSDL will then credit the beneficiary owner's accounts by downloading the data to the Participant.

PROCEDURE:

HOD

1. Receives notification of book closure for corporate action from

   a. Issuer Interface Department (Exhibit I)
   b. Exchange/Clearing Corporation (Exhibit II)

2. Forwards these to the Officer

Officer

3. Receives book closure periods from HOD.



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4. Compares information from 1a and 1b.

5. Resolves any discrepancies found in Step 4.

6. Validates that:

a. Related Issuer/R&T Agent is registered with NSDL.
b. Related ISIN is eligible at NSDL.

7. Prepares circular giving details of pending Corporate Action. (Exhibit III)

HOD

8. Signs circular of pending Corporate Action.

9. Directs issuance of circulars to all Participants.

Officer

10. Works with Participants to clear transit positions in clearing member accounts prior to book closure date. Refer to related procedure.

11. Liaises with Participants to ensure that beneficiary position file transmission and reconciliation of the same are completed on record date. Refer to related procedures.

NOTE: The HOD of the Issuer Interface Dept. - Operations performs the control release for non-cash distributions one day prior to the execution date.

The NSDL system when triggered through the control release function will automatically credit the appropriate Depository account. The related depository participant advises the client of the credit.

Cash distributions are paid directly by the Issuer/R&T Agent to the beneficial owner of the securities.

Officer

12. Maintains file of related documentation for future reference.

Procedure Number: PID 009
Title: Notification of Book Closure from Issuer Interface Department

EXHIBIT I

**NATIONAL SECURITIES DEPOSITORY LTD.**

**INTER OFFICE MEMEO**

**Date** : July 29, 1997

**To** : Mr. Jayesh Sule (AVP)

**From** : T Koshy (VP)

---

Book Closure Dates for the following Companies have been announced :

| Sr. No | Name of the Company | Book Closure Dates | Purpose of Book Closure |
|---|---|---|---|
| 1 | Hoechst Marion Roussel Limited | August 5, 1997 to August 26, 1997 ( Both days inclusive ) | AGM |
| 2 | Hindustan Petroleum Corporation Limited | August 6, 1997 to August 20, 1997 ( Both days inclusive ) | AGM |
| 3 | Jindal Vijaynagar Steel Limited | August 18, 1997 to August 25, 1997 ( Both days inclusive ) | AGM |
| 4 | Hindustan Inks & Resins Limited | September 16, 1997 to September 27, 1997 ( Both days inclusive ) | Dividend |

This is for your information and necessary action.

**VP ( TK )**

Procedure Number: PID 009
Titie: Notification of Book Closure from Exchange or Clearing Corporation

EXHIBIT II

BOS
24/7/97

**NATIONAL SECURITIES CLEARING CORPORATION LTD.**

TRADE WORLD, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI - 400 013.

NSCCL/SEC/946

July 24, 1997

National Securities Depository Ltd.
Trade World
Lower Parel
Mumbai 400 012

Dear Sirs,

Please find enclosed the corporate action information in respect of securities trading on the book entry segment.

Thanking you.

Yours sincerely,

Manager

Sreevidya.

*Continuation Sheet*

| NAME OF THE COMPANY | CORPORATE ACTION | RECORD DATE | BOOK CLOSURE | | Ex-date | NO DELIVERY | | SETTLEMENT IN WHICH TO BE SETTLED |
|---|---|---|---|---|---|---|---|---|
| | | | Start | End | | Start-dt | End-dt | |
| INDIAN HOTEL - BE | DIVIDEND - 85% | Cum-interest | 29-Jul-97 | 05-Aug-97 | 16-Jul-97 | 16-Jul-97 | 25-Jul-97 | 1997040 |
| HOECHST - BE | DIVIDEND - 40% | | 05-Aug-97 | 26-Aug-97 | 21-Jul-97 | 21-Jul-97 | 01-Aug-97 | 1997045 |
| INDAL VIJSTL - E | AGM | | 18-Aug-97 | 25-Aug-97 | 04-Aug-97 | 04-Aug-97 | 13-Aug-97 | 1997053 |

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Procedure Number: PID 009
Title: Circular to Participants Announcing the Book Closure Date
EXHIBIT III

**NATIONAL SECURITIES DEPOSITORY LIMITED**

**Participant Interface**

**Circular**

Circular No . NSDL/PI/076
Date : June 17, 1997

All Participants are hereby informed that BSES Limited has informed the Depository about the book closure for the payment of dividend.

The details of the corporate action are as follows :

| | |
|---|---|
| Name of the issuer | : BSES Limited |
| Type of security | : Equity |
| ISIN | : INE037401010 |
| Purpose | : Payment of dividend |
| Book Closure Period | : August 01, 1997 to August 29, 1997 (both days inclusive) |
| No-delivery period | : Settlement No. 1997029 - July 16, 1997 to July 22, 1997 ( as per NSCCL for BE segment ) |

All Participants are advised to ensure that :

1. All changes such as tax status, bank details, change of address, etc. in the beneficial owners accounts are updated well in advance of the book closure.

2. All balances in the CM accounts of BSES Equity are moved out well in advance of the book closure and no balances should remain in the CM accounts for this security on July 31, 1997.

3. No transfers to the CM accounts for settlement nos. 1997029, 1997030 and 1997031 should be done till the EOD of July 31, 1997.

4. In view of no-delivery for settlement no. 1997029 , kindly note to specify the settlement number as 1997030 in the DPM system while transferring balances from beneficial owners accounts to CM accounts.

All Participants are instructed to ensure that they remain connected till the EOD of July 31, 1997 is complete.

For and on behalf of
**National securities Depository Limited**

**Jayesh Sule**
**Asst Vice President**

Identification Code: PID010
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Help Desk Calls

PURPOSE: To resolve problems experienced by all business partners relating to the Systems aspect or Operational aspect.

NOTE: A centralised Help Desk runs in two shifts from 8.30 a.m. to 9.30 p.m. Officers from each department are assigned to the Help Desk in rotation.

PROCEDURE:

HOD

1. Prepares a timetable once a month for the help desk duty and sends this to HODs and Help Desk In-Charge.

Help Desk Officer

2. Receives telephone call from business partner, giving details of the problem and notes these in the Help Desk register.

3. Tries to resolve the problem on-line.

4. Refers the problem to the respective department if it cannot be resolved by him.

NOTE: If necessary, the Systems Dept. can remotely log into the Participant's system (after obtaining the necessary approvals) and try to resolve the problem.

5. Maintains a register showing the date, token number, time, Participant/SHR (software), name of company and name of person calling, description, problem/inquiry, status and solution, NSDL Officer attending the call. (Exhibit I)

Manager

6. Uses the help desk log to create management reports which are discussed at the weekly meeting with the MD.

Procedure Number: PID 010
Title: Help Desk Register

EXHIBIT I

Daily Systems and Operations report from Help Desk

Date :_____

| No | BP Name | TOKEN NO | BP Type | Sys/Ops | Category | Description | Cause | Action Taken | Status | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| 11 | ICMS | 1982 | DP | N/W | PROBLEM | THEY SEND DMAT REQUEST BUT THEY DID NOT GET MESSAGE ACCEPTED BY NSDL | LINK IS NOT UP | AFTER LINK WAS UP THEY GOT MESSAGE ACCEPTED BY NSDL | Resolved | |
| 8 | HONGKONG BANK | 1985 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | Resolved | |
| 7 | GTB | 1984 | DP | SYS | PROBLEM | WHILE TAKING BACK UP SERVER GET HANG | | TOLD THEM TO RESTART THE SERVER | Resolved | |
| 6 | HDFC | 1981 | SHR | N/W | PROBLEM | NOT GETTING BOD | LINK IS NOT UP | TOLD THEM TO WAIT FOR SOME TIME | Resolved | |
| 5 | I_SERVE | 1976 | SHR | SYS | PROBLEM | TIME MISMATCH ERROR | | TOLD THE CORRECT TIME | Resolved | |
| 4 | GTB | 1975 | DP | OPS | PROBLEM | WANT TO KNOW WHY INTRA TRANSFER DID NOT GET PROCESSED | NOT STARTED RECEIVE PROCESS | TOLD THEM TO START RECIVE.EXE | Resolved | |
| 3 | SHAH INVESTOR | 1974 | DP/T | SYS | PROBLEM | RECIVE FAILED WITH ERROR 50106 | TWO 920 MESSAGES FOR 22/07/97 | UPDATE THE STATUS OF ROW SUB MSG TYPE 920 TO 99 | Resolved | |
| 2 | TSRL | 1973 | SHR/T | SYS | PROBLEM | DAT SEND TO THEM IS NOT WORKING | | INFORMED THEM TO SEND NSDL DAT AND THERE DAT AND THEN WE GIVEN NEW DAT TO THEM | Resolved | |
| 1 | ACTION FINANCE | 1972 | DP | OPS | PROBLEM | TRANSMIT FAILED WITH ERROR NO 90017 | | UPDATE RBI TABLE | Resolved | |
| 10 | COIMBATORE | 1987 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | | |
| 9 | IIT | 1986 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | | |
| 18 | INDUSIND | 1983 | DP | SYS | INQUIRY | ENQ ABOUT BACK OFFICE | | EXPLAINED | Resolved | |
| 17 | INTIME | 1980 | SHR | SYS | INQUIRY | QUERY ON BENPOS EXPORT | | EXPLAINED | Resolved | |
| 16 | ACTION FINANCE | 1979 | DP | OPS | INQUIRY | WANT TO KNOW ABOUT RECEPTION FOR ACC. NO199720 | | EXPLAINED | Resolved | |
| 15 | MCS | 1978 | SHR/T | OPS | INQUIRY | WANT TO KNOW REGISTRATION CODE FOR SIGN MISMATCH | | TOLD HIM EXACT NO | Resolved | |
| 14 | PCS | 1977 | SHR/T | OPS | INQUIRY | INQUIRIES ABOUT HOW MANY DAYS OF TESTING | | EXPLAINED | Resolved | |
| 13 | INDUSIND | 1971 | DP | OPS | INQUIRY | WANTS TO IMPORT TRASACTION SO THEY INQUIRIES IF A PERSON FROM NSDL COULD GO TO THERE PLACE | | EXPLAINED | Resolved | |
| 12 | STAN CHART | 1970 | DP | OPS | INQUIRY | INQUIRIES ABOUT CORPORATE ACTION | | EXPLAINED | Resolved | |

# APPENDIX D

## DRAFT OF PROCEDURE MANUAL

## ISSUER INTERFACE - MARKETING

# Issuer Interface Department. - Marketing

# Operating Procedures

# National Securities Depository Ltd.

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Manual prepared by:

Price Waterhouse LLP/USAID FIRE Project

Disclaimer: This publication has been prepared by Price Waterhouse LLP/FIRE Project sponsored by USAID, for private circulation. While utmost care has been taken in preparing this manual, we claim no responsibility for its completeness and accuracy.

Version: 1.0/Aug 1997

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| Preparing Market Capitalisation Report | IID009 |
| Training of Issuers/R&T Agents | IID010 |

Identification Code: IID001
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Inviting an Issuer to join the Depository

PURPOSE: To select and invite an Issuer to join the National Securities Depository Limited.

NOTE: The status of this process is constantly updated on a spreadsheet on the PC. This is maintained on the LAN and can be accessed by the Department.

PROCEDURE:

HOD

1. Composes a priority list of Issuers.

NOTE: Currently this is based on the securities included in the NIFTY-50, BSE A Group companies and companies with a market capitalisation of over 100 crores. The criteria are reviewed and updated by Management.

2. Selects Issuers whom NSDL will solicit, depending on selection priorities determined through the Corporate Planning process.

HOD/Manager

3. Assigns Issuers to the various Officers based on registrars & regions.

Officer

4. Researches details of the Issuer and obtains the name of the contact person, telephone number and address.

5. Prepares an analysis of the company using corporate details on an appropriate PC package.

6. Searches the database and researches the company's line of business, Board of Directors, share holding pattern and equity of the company.

7. Sends the contact person (usually the company secretary) the Introductory Kit, including the following booklets.
a. Issuer/Registrar Handbook (Exhibit I)
b. Supplement to Issuer/Registrar Handbook (Technical Specifications) (Exhibit II)



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c. Other relevant documents.

8. Follows up with a telephone call to the Issuer a week later. Refer to related procedure IID003.

9. Arranges and conducts a detailed presentation at the Company at the Issuer's request.

NOTE: The presenter is selected depending on the audience. Usually the Company Secretary and Head of the Information Technology attend the presentation. If a senior person from the Issuer's end attends the presentation then a Manager or Vice-President conducts the presentation.

10. Determines type of presentation and accordingly carries the following equipment:
a. Slides
b. Overhead projector
c. Laptop computer

11. Carries the most recent updated version of the presentation to the venue.

12. Develops the action plan with the Issuer following the presentation.

Procedure: IID 001
Title: Issuer Registrar Handbook

EXHIBIT I (a)

# National Securities Depository Limited

## Issuer/Registrar Handbook
(A guide to join the Depository)

May 1997

Procedure: IID 001
Title: Issuer Registrar Handbook
EXHIBIT I (b)

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Procedure: IID 001
Title: Suppiement to Issuer Rester Handbook
EXHIBIT II (a)

# National Securities Depository Limited

## Supplement to Issuer/Registrar Handbook
(Technical Specifications)

May 1997

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Procedure: IID 001
Title: Supplement to Issuer Rester Handbook
EXHIBIT II (b)

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Identification Code: IID002
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Issuer application for Electronic Depository Facilities

PURPOSE: To scrutinise the Issuer or R&T Agent's application to NSDL to join the Depository. If the Management decides that the Issuer should join the Depository, SEBI approval is sought if not already obtained.

PROCEDURE:

Officer

1. Receives request from Issuer/R&T Agent by phone or letter expressing an interest to join the Depository.

2. Determines if the Issuer is in the SEBI approved list of securities or not.

3. Initiates the procedure of signing the agreement if the Issuer falls within the priority list. (Refer to related procedure IID003)

4. Requests the Company to send the financial details regarding the market capitalisation, equity and 3 year financial results if the Issuer does not fall within the SEBI approved list.

5. Seeks approval as necessary from
a. NSDL Board
b. SEBI

6. Prepares an evaluation note and distributes it to:
a. MD
b. ED
c. HOD

MD/ED/HOD

7. Decides whether or not the Issuer should join the Depository.

8. Advises Officer of decision.

Officer

9. Receives decision on security from Management.
a. Application approval
b. Application turned down



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10. Files the application in a pending file if the application is turned down and informs the company.

11. Maintains a file of all applications for future reference.

12. Sends an interim letter to Issuer, if the application is approved, informing them of the NSDL Board decision.

HOD

13. Obtains Committee/Board approval.

14. Sends a letter to SEBI asking them for permission to change Annexure C of the Bye Laws to admit the Issuer's equity shares as an eligible security in the Depository System. (Exhibit I)

15. Receives notification from SEBI that the application has been approved by letter. (Exhibit II)

16. Informs Officer that approval has been obtained from SEBI.

Officer

17. Receives notification of approval by SEBI from HOD.

18. Checks whether the ISIN Number is allotted by SEBI for the security.

19. Processes application for the ISIN Number is made to SEBI. Once it is allotted, NSDL is informed by letter. (Exhibit III)

20. Informs the Issuer by letter that SEBI approval has been obtained and the Equity is now an eligible security under the Depositories Act 1996. (Exhibit IV)

21. Maintains file of related documents for future reference.

Procedure: IID 002
Title: Letter from NSDL to SEBI to admit Issuer's Equity in the Depository

EXHIBIT I

Ref. No. : VRN/MSP/SEBI/1316

June 19, 1997

The Chairman
Securities and Exchange Board of India
1st Floor, Mittal Court, "B" Wing,
Nariman Point,
Mumbai - 400 021.

Kind Attn : Mr. Pratip Kar

Dear Sir,

We have received several requests from companies willing to admit their securities to the depository system. We are forwarding a list of such securities with a request to approve them to be added to the list of eligible securities given in the Annexure 'C' of Bye-Laws.

We request SEBI's approval to the amendment to Annexure 'C' of Bye-Laws of NSDL by addition of these securities to the existing list.

Thanking you,

Yours faithfully,

**(C. B. Bhave)**

Procedure: IID 002
Title: Application to SEBI for ISIN number

EXHIBIT ii

NOT AVAILABLE AT THIS TIME

Procedure: IID 002
Title: SEBI Letter Giving ISIN number

EXHIBIT III

NOT AVAILABLE AT THIS TIME

Procedure: IID 002
Title: Letter to Issuer Informing them of SEBI APproval
EXHIBIT IV

Ref No: VRN/SBN/Isibars/1421 July 8, 1997

Company Secretary,
Isibars Ltd.
ISI House,
Railway gate No. 4,
Antop Hill
Mumbai - 400 037

Dear Sir,

We are glad to inform you that we have received SEBI letter approving your company shares as eligible security for the depository system.

Given the benefits that your shareholders will gain, we sincerely extend an invitation to join the depository at the earliest.

Yours Sincerely,

**V.R.Narasimhan**
**Vice President (Operations)**

Identification Code: IID003
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Finalising Agreement with Issuer/R&T Agent

PURPOSE: To process the Issuer/R&T Agent's application and to sign an agreement with them.

PROCEDURE:

Officer

1. Faxes a draft of the Letter of Intent to the Issuer, if he expresses an intent to join the Depository. (Exhibit I)

2. Receives signed Letter of Intent from the Issuer.

NOTE: The Issuer presents the proposal to the Board for approval. Once the Board passes the resolution, NSDL is informed.

3. Receives notification from Issuer of the persons who will sign the agreement.

NOTE: If a R&T Agent is involved, a tripartite agreement is required and if not, a bipartite agreement is required.

4. Drafts the appropriate Bipartite (Exhibit II) or Tripartite Standard Agreement (Exhibit III) which is to be executed on a Rs. 20 stamp paper.

Manager

5. Checks the draft of the agreement and sends it to the Issuer and, if applicable, to the R&T Agent.

HOD/Manager

6. Signs the document on a pre-determined day.

NOTE: This could be done in person or the documents could be couriered. The company should first sign the agreement, followed by the R&T Agent (if applicable) and then NSDL. An original is distributed to each of these business partners.

Officer

7. Sends the following documents to the Issuer
a. Bye Laws
b. Business Rules
c. List of existing Registrars and Participants

d. Package of forms required by NSDL, including Form A, B and C
e. Master creation form
f. Standard letter to shareholders

8. Maintains agreements on file.

Procedure: IID 003
Title: Draft of Letter of Intent

EXHIBIT I

Date:_____

**The Managing Director**
National Securities Depository Limited
4th Floor, Trade World
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai - 400 013

**Sub: Participation as an Issuer in the National Securities Depository Limited**

Dear Sir,

We are pleased to inform you that our company has decided to offer *(Name of Issuer)* Equity as an eligible security under the Depositories Act, 1996. We request you to take necessary steps to induct our security into your depository system.

Yours faithfully,

_____
_____

Procedure: IID 003
Title: Bipartite Agreement

EXHIBIT II (a)

**BIPARTITE AGREEMENT BETWEEN THE ISSUER AND THE NATIONAL SECURITIES DEPOSITORY LIMITED**

This Bipartite Agreement made and entered into on the ___ day of _____, 1997 at Mumbai between_____, a Company incorporated and registered under the provisions of the Indian Companies Act, 1956 and having its Registered Office at _____ (herein after called the "Issuer" which expression shall unless it be repugnant to the context or meaning thereof mean and include its successors in title), and National Securities Depository Limited a Company incorporated and registered under the provisions of the Companies Act, 1956 and having its Registered Office at Mahindra Towers, 5th Floor, A Wing, Worli, Mumbai 400 018 (herein after called the "NSDL" which expression shall unless it be repugnant to the context or meaning thereof mean and include its successors in title)

Procedure: IID 003
Title: Bipartite Agreement

# EXHIBIT II (b)

**Witnesseth as follows**

**WHEREAS** The Issuer has furnished, to the NSDL an application dated ____ 1997 for its Equity Shares bearing ISIN No. INE_____being admitted as an 'eligible security' in the depository system

**NOW THEREFORE** in consideration of the NSDL having agreed to admit the securities of the Issuer as being eligible for being admitted on the depository system, the parties to this Bipartite Agreement hereby covenant and agree as follows :

1. The Issuer agree and undertake to comply with the provisions of the Bye Laws and the Business Rules of NSDL, wherever applicable.

2. The Issuer and NSDL hereby agree that the Bye Laws and Business Rules of NSDL shall be part of the terms and conditions of every agreement, contract or transaction between the parties to the agreement.

3. The Issuer shall be bound by any amendment to the Bye Laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally a part of the Bye Laws and Business Rules of NSDL.

4. The agreement and all contracts and transactions effected by the Issuers under the Bye Laws and Business Rules of NSDL or through the facilities of NSDL shall be governed by and be construed in accordance with the provisions of the relevant laws as well as the rules and regulations of the Regulatory Bodies having jurisdiction in respect of the same from time to time.

5. The Issuer shall furnish a list of authorized officials who shall represent and interact on behalf of the Issuer with NSDL within fifteen days of the execution of this agreement and any changes including additions/deletions, thereof shall be communicated to NSDL within fifteen days of such change.

6. The Issuer shall send to NSDL copies of the letters approving listing and commencement of trading issued by the relevant stock exchanges in respect of securities held in dematerialised form with NSDL.

7. NSDL shall allocate unique identity code to the Issuer.

8. The Issuer shall establish continuous electronic means of communication with NSDL, and NSDL shall provide necessary manuals & procedural guidelines to the Issuer, as is necessary for effective, and prompt conduct of the business of the Depository. The Issuer shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software security devices, and back-up facilities as may be prescribed by NSDL.

9. The Issuer shall strictly follow the backup procedure recommended by NSDL. A copy of the latest back-up of database and subsequently incremental backup shall be maintained at a designated remote site.



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Procedure: IID 003
Title: Bipartite Agreement

EXHIBIT II (c)

10. The Issuer shall comply with all the systems and procedures recommended by NSDL and shall allow access to their systems by NSDL designated EDP Audit Team for periodic assessment of compliance with systems and procedures.

11. The Issuer agree that NSDL shall not be liable to the Issuer for any loss arising out of any failure of the Issuer to keep full and upto date security copies (backup) of computer programme and data it uses in accordance with the best computing practice.

12. The Issuer shall inform NSDL on the next day on which the information is being sent to the stock exchanges in which the eligible securities are listed, about the dates from which new shares arising out of conversions, further issues, final call payments, etc. become pari-passu with its existing shares.

13. The Issuer shall furnish information to NSDL of any further issues such as rights, bonus, public. with details viz.; opening and closing dates, issue size, issue price, record date, book closure, proportion, along with a copy of the offer document.

14. The Issuer shall give information to NSDL about book closures, record dates, dates for the payment of interest or dividend, dates for annual general meetings and other meetings, dates for redemption of debentures, dates for conversion of debentures and warrants, call money dates, amalgamation, merger, reduction of capital, reconstruction scheme of arrangement, sub-division, consolidation, and conversion of debentures/loans and such other information relating to any corporate action, on the next day it is being communicated to the relevant stock exchanges, where the eligible security is listed.

15. The Issuer undertakes that the dematerialisation and rematerialisation requests are processed within fifteen and thirty days respectively. However, it is agreed that in case of bulk dematerialisation requests, this period may be extended to thirty days.

16. The Issuer undertakes that no dematerialisation requests shall be accepted when there are any prohibitory order, stop transfer, attachment order, or disputed title, on the day of such request. It is agreed that where a court order has been received by the Issuer or where there are court orders against any transfer request if such a request is entertained, the Issuer shall be entirely responsible. The Issuer agrees to be fully responsible for destruction, mutilation and cancellation of certificates received and accepted by it for dematerialisation.

17. It is agreed that the Issuer will continue to be responsible for corporate actions. The NSDL undertakes to provide the list of beneficial owners with suitable details to the Issuer as of the record date. This list shall be provided by the Depository fifteen days after such request has been received by the Depository.In the event of any loss caused to the Issuer , in respect of any incorrect information relating to the Client, furnished by NSDL or its Participant, NSDL shall undertake to indemnify such losses.

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Procedure: IID 003
Title: Bipartite Agreement

EXHIBIT II (d)

18. The Issuer shall indemnify NSDL in respect of any loss or liability incurred, or any claim arising in respect of any incorrect information furnished by the Issuer in respect of the operations of the Depository.

19. Any claims, disputes or liabilities arising in respect of any securities which have been rematerialised under intimation from the Issuer to NSDL after the dispatch of such securities' certificates in the manner laid down under the Bye Laws shall be settled between the Issuer and the owner of such securities.

20. In the case of securities that have been dematerialised and electronically credited to the accounts of the Clients in NSDL under intimation from the Issuer in the manner laid down under the Bye Laws, any claims, disputes or liabilities or cause of action from a third party arising in respect of such securities pertaining to any fake or forged securities shall be settled between the Issuer and such third party.

21. NSDL may authorise persons who, shall have the right to enter during the regular business hours, on any business day, the premises of such Issuer where the records relating to the depository operations are being maintained and inspect, and take copies thereof.

22. NSDL shall provide reports updating details of Beneficial Owners on a fortnightly basis to the Issuer.

23. NSDL shall provide the details of the list of Beneficial Owners as well as the pending requests for Dematerialisation and Rematerialisation that may be required by the Issuer from time to time on the payment of such charges as may be provided in the Business Rules. Such information shall be provided within fifteen days from the date of making such request and where the list of Beneficial Owners is required as on a particular date, the same shall be provided within a period of fifteen days after such date or fifteen days from the date of receipt of such request by the Depository whichever is later.

24. NSDL shall in its discretion provide any other details that may be required by the Issuer from time to time on the payment of such charges as it may deem fit.

25. The Issuer shall inform NSDL of any proposed changes in the address of the Registered Offices, Corporate Office, or of the location where the equipment for communication with NSDL is situated not less than thirty days before the date of such change.

26. NSDL shall inform the Issuer of any proposed changes in the address of its Registered Office or Corporate Office not less than thirty days before the date of such change.

27. The Issuer shall not assign to any other person/entity its functions & obligations, relating to transactions with the Depository, without the approval of NSDL.

28. All parties to this Agreement shall resolve the grievances of the Beneficial Owners within a period of twenty-one days, from the date of receipt of the complaint, concerning NSDL and/or its agents.

Procedure: IID 003
Title: Bipartite Agreement

EXHIBIT II (e)

29. All parties to this Agreement shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of NSDL and that such procedure shall be applicable to any disputes between the NSDL and the Issuer.

30. This Agreement is executed in duplicate and each party shall have one.

31. All parties to this Agreement further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye-Laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the Courts at Mumbai only.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE HERE ON TO SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THIS AGREEMENT IN DUPLICATE ON THE DAY, MONTH, YEAR AND PLACE FIRST MENTIONED.**

SIGNED AND DELIVERED
by the within named **"Name of the Company"**
by the hands of its duly Authorised Representative
Mr. _____ : _____
_____
in the presence of _____: _____

SIGNED AND DELIVERED
by the within named **"National Securities Depository Limited"**
by the hands of its duly Authorised Representative
Mr. V. R. Narasimhan: _____
Vice President
Vide Board Resolution dated 18th October, 1996.
in the presence of _____: _____

Procedure: IID 003
Title: Tripartite Agreement

EXHIBIT III (a)

**TRIPARTITE AGREEMENT BETWEEN THE ISSUER, REGISTRAR AND THE NATIONAL SECURITIES DEPOSITORY LIMITED**

This Tripartite Agreement made and entered into on this _____ day of _____, 1997 at _____ between _____(Name of the Company) a Company incorporated and registered under the provisions of the Companies Act, 1956 and having its Registered Office at _____ (hereinafter called the "Issuer" which expression shall unless it be repugnant to the context or meaning thereof mean and include its successors in title), _____(Name of the R & T Agent), its Registrar and Transfer Agent and having its Registered Office at _____ (hereinafter called the "R & T Agent" which expression shall unless it be repugnant to the context or meaning thereof mean and include its successors in title) and the National Securities Depository Limited having its Registered Office at Mahindra Towers, 5th Floor, A Wing, Worli, Mumbai 400 018 (herein after called the "NSDL")

**Witnesseth as Follows**

**WHEREAS** The Issuer and or its Registrar and Transfer Agent has furnished, to the NSDL an application dated _____ for its **Equity shares** bearing ISIN _____ being admitted as an 'eligible security' in the depository system and whereas the second undersigned is working as the R & T Agent of the Issuer

**NOW THEREFORE** in consideration of the NSDL having agreed to admit the securities of the Issuer as being eligible for being admitted on the depository system, the parties to this Tripartite Agreement hereby covenant and agree as follows :

1. The Issuer and/or the R & T Agent agree and undertake to comply with the provisions of the Bye Laws and the Business Rules of NSDL, wherever applicable.

2. The Issuer, its R & T Agent and NSDL hereby agree that the Bye Laws and Business Rules of NSDL shall be part of the terms and conditions of every agreement, contract or transaction between the parties to the agreement.

3. The Issuer and /or its R & T Agent shall be bound by any amendment to the Bye Laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally a part of the Bye Laws and Business Rules of NSDL.

4. The agreement and all contracts and transactions effected by the Issuer and/or its R & T Agent under the Bye Laws and Business Rules of NSDL or through the facilities of NSDL shall be governed by and be construed in accordance with the provisions of the relevant laws as well as the rules and regulations of the Regulatory Bodies having jurisdiction in respect of the same from time to time.

Procedure: IID 003
Title: Tripartite Agreement

EXHIBIT III (b)

5. The Issuer and/or R & T Agent shall furnish a list of authorized officials who shall represent and interact on behalf of the Issuer and/or R & T Agent with NSDL within fifteen days of the execution of this agreement and any changes including additions/deletions, thereof shall be communicated to NSDL within fifteen days of such change.

6. The Issuer shall send to NSDL copies of the letters approving listing and commencement of trading issued by the relevant stock exchanges in respect of securities held in dematerialised form with NSDL.

7. NSDL shall allocate unique identity codes to both the Issuer and/or its R & T Agent.

8. The Issuer and its R & T Agent shall establish continuous electronic means of communication with NSDL and NSDL shall provide necessary manuals & procedural guidelines to the Issuer and/or its R & T Agent, as is necessary for effective and prompt conduct of the business of the Depository. The Issuer and/or its R & T Agent shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software security devices and back-up facilities as may be prescribed by NSDL.

9. The Issuer and/or its R & T Agent shall strictly follow the backup procedure recommended by NSDL. A copy of the latest back-up of database and subsequently incremental backup shall be maintained at a designated remote site.

10. The Issuer and/or its R & T Agent shall comply with all the systems and procedures recommended by NSDL and shall allow access to their systems by NSDL designated EDP Audit Team for periodic assessment of compliance with systems and procedures.

11. The Issuer and/or its R & T Agent agree that NSDL shall not be liable to the Issuer and/or its R & T Agent for any loss arising out of any failure of the Issuer and/or its R & T Agent to keep full and upto date security copies (backup) of computer programme and data it uses in accordance with the best computing practice.

12. The Issuer shall inform NSDL on the next day on which the information is being sent to the stock exchanges in which the eligible securities are listed, about the dates from which new shares arising out of conversions, further issues, final call payments, etc. become pari-passu with its existing shares.

13. The Issuer shall furnish information to NSDL of any further issues such as rights, bonus, public offerings with details viz.; opening and closing dates, issue size, issue price, record date, book closure, proportion, along with a copy of the offer document.

EXHIBIT III (c)

14. The Issuer shall give information to NSDL about book closures, record dates, dates for the payment of interest or dividend, dates for annual general meetings and other meetings, dates for redemption of debentures, dates for conversion of debentures and warrants, call money dates, amalgamation, merger, reduction of capital, reconstruction scheme of arrangement, sub-division, consolidation, and conversion of debentures/loans and such other information relating to any corporate action, on the next day it is being communicated to the relevant stock exchanges, where the eligible security is listed.

15. The Issuer and its R & T Agent undertakes that the dematerialisation and rematerialisation requests are processed within fifteen and thirty days respectively. However, it is agreed that in case of bulk dematerialisation requests, this period may be extended to thirty days.

16. The Issuer and its R & T Agent undertakes that no dematerialisation requests shall be accepted when there are any prohibitory order, stop transfer, attachment order, or disputed title, on the day of such request. It is agreed that where a court order has been received by the Issuer and/ or its R & T Agent or where there are court orders against any transfer request, if such a request is entertained, the Issuer and/or its R & T Agent shall be entirely responsible. The Issuer and/or its R & T Agent agrees to be fully responsible for destruction, mutilation and cancellation of certificates received and accepted by it for dematerialisation.

17. It is agreed that the Issuer and its R & T Agent will continue to be responsible for corporate actions. The NSDL undertakes to provide the list of beneficial owners with suitable details to the Issuer or R & T Agent as of the record date. This list shall be provided by the NSDL fifteen days after such request has been received by the NSDL. In the event of any loss caused to the Issuer and/or its R & T Agent, in respect of any incorrect information relating to the Client, furnished by NSDL or its Participant, NSDL shall indemnify such losses.

18. The Issuer and/or its R & T Agent shall indemnify NSDL in respect of any loss or liability incurred, or any claim arising in respect of any incorrect information furnished by the Issuer and/or its R & T Agent in respect of the operations of the Depository.

19. Any claims, disputes or liabilities arising in respect of any securities which have been rematerialised under intimation from the Issuer and/or its R & T Agent to NSDL after the despatch of such securities' certificates in the manner laid down under the Bye Laws shall be settled between the Issuer and/or its R & T Agent and the owner of such securities.

20. In the case of securities that have been dematerialised and electronically credited to the accounts of the Clients in NSDL under intimation from the Issuer and/or its R & T Agent in the manner laid down under the Bye Laws, any claims, disputes or liabilities or cause of action from a third party arising in respect of such securities



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pertaining to any fake or forged securities shall be settled between the Issuer and /or its R & T Agent and such third party.

21. NSDL may authorise persons who, shall have the right to enter during the regular business hours, on any working day, the premises of such Issuer and/or its R & T Agent where the records relating to the depository operations are being maintained and inspect, and take copies thereof.

22. NSDL shall provide reports updating details of Beneficial Owners on a fortnightly basis to the Issuer and /or its R & T Agent.

23. NSDL shall provide the details of the list of Beneficial Owners as well as the pending requests for Dematerialisation and Rematerialisation that may be required by the Issuer and / or its R & T Agent from time to time on the payment of such charges as may be provided in the Business Rules. Such information shall be provided within fifteen days from the date of making such request and where the list of Beneficial Owners is required as on a particular date, the same shall be provided within a period of fifteen days after such date or fifteen days from the date of receipt of such request by the NSDL whichever is later.

24. NSDL shall in its discretion provide any other details that may be required by the Issuer and/or its R & T Agent from time to time on the payment of such charges as it may deem fit.

25. The Issuer and/or R & T Agent shall inform NSDL of any proposed changes in the address of the Registered Offices, Corporate Office, or of the location where the equipment for communication with NSDL is situated not less than thirty days before the date of such change.

26. NSDL shall inform the Issuer and/or its R & T Agent of any proposed changes in the address of its Registered Office or Corporate Office not less than thirty days before the date of such change.

27. The Issuer shall not change, discontinue or substitute its R & T Agent unless the alternative arrangement has been agreed to by NSDL.

28. The Issuer and/or its R & T Agent shall not assign to any other person/entity its functions & obligations, relating to transactions with the Depository, without the approval of NSDL.

29. All parties to this Agreement shall resolve the grievances of the Beneficial Owners within a period of twenty-one days, from the date of receipt of the complaint, concerning NSDL, the Issuer and/or its R & T agents.



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Procedure: IID 003
Title: Tripartite Agreement

EXHIBIT III (e)

30. All parties to this Agreement shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of NSDL and that such procedure shall be applicable to any disputes between the NSDL and the Issuer and/or R & T Agent.

31. All parties to this Agreement further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye Laws or Business Rules of the NSDL or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the Courts at Mumbai only.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE HERE ON TO SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THIS AGREEMENT IN TRIPLICATE ON THE DAY, MONTH, YEAR AND PLACE FIRST MENTIONED.**

**SIGNED, AND DELIVERED**
By the within named **"Name of the Company"**
through its authorised representative
Mr. _____: _____
_____
in the presence of _____

**SIGNED, AND DELIVERED**
By the within named **"Name of the R & T Agent"**
through its authorised representative
Mr. _____ : _____
_____
in the presence of _____

**SIGNED, AND DELIVERED**
By the within named **"National Securities Depository Limited"**.
through its authorised representative
Mr. V. R. Narasimhan : _____
Vice President
Vide Board Resolution dated 18th October, 1996
in the presence of _____



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Identification Code: IID004
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Monitors procurement and installation of hardware for Issuer/R&T Agent

PURPOSE: To monitor the purchase of the hardware equipment at the Issuer/R&T Agent's office. To assist in procuring a VSAT connection to enable the Issuer/R&T Agent to connect to the NSDL System.

NOTE: After the agreement is signed, if the R&T Agent is already connected electronically to the system, the process of creating the master file is initiated immediately.

If the R&T Agent is not connected or if the Issuer has an in-house share processing facility, the process of obtaining the hardware equipment and VSAT connection will be initiated. After connectivity is established, the master file will be created.

Throughout the application process, a worksheet is maintained showing the status of the Issuer/R&T Agent's application. (Exhibit I)

PROCEDURE:

Officer

1. Monitors the Issuer/R&T Agent's purchase of hardware to ensure that it conforms to NSDL's requirements.

NOTE: The hardware details and recommended vendors is provided to the Issuer as part of the introductory kit.

2. Follows up with the Issuer/R&T Agent to receive Form A which contains basic information on the company.

3. Obtains the Hardware Procurement Information Form (Exhibit II) duly filled in by the Issuer/R&T Agent after finalising brands and models but before placing purchase order.

4. Liaises with the Hardware department to verify that the hardware conforms to NSDL's specifications.

5. Obtains a copy of the hardware purchase order from the Issuer/R&T Agent after the order is placed.

6. Helps expedite the procurement of VSAT connection for the Issuer/R&T Agent by liaising with NSEIL and the Networking Dept.

NOTE: This is only necessary in case there is an inordinate delay in obtaining the VSAT connection or if the Issuer/R&T Agent encounters problems.

7. Receives payment for the VSAT connection, the VSAT Undertaking (Exhibit III), the No Objection Certificate (NOC) (Exhibit IV) and forwards these to the Membership Department of NSEIL.

NOTE: NSEIL informs their service provider HCLComnet to conduct a site survey after which they give a clearance to install the VSAT. NSEIL then delivers and activates the VSAT.

8. Receives notification from the following that the VSAT connection is activated:
a. Issuer/R&T Agent
b. NSDL Networking Dept.

9. Receives Form A which has been completed by Issuer/R&T Agent, which gives basic information on the Company. (Exhibit V)

Procedure: IID 004

Title: Worksheet Showing Status of Issuer Application

EXHIBIT I

| Sr. No | Name of BP | VSAT Paymen | Site Survey | VSAT Installed | VSAT Activated | Hardware Ordere | Router Configure | Pymt. towards s/w | DAT Installe | Environment -Test/Live |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | DSRC | Outstanding** | **Pending | **Pending | **Pending | **Pending | **Pending | **Pending | **Pending | **Pending |
| 2 | TSRL | made | Done | Yes | No | to be installed | Yes | Outstanding** | to be done | Pending |
| 3 | PCS | made | Done | Yes | Yes | Installed | Yes | Made | Yes | Test Environment |
| 4 | SAIL | made | Done | Yes | Yes | **Vectra Infinity** | Pending | **Rs.29,700/- o/s.** | to be done | Pending |
| 5 | ITC - Bhadr | made | Done | Yes | Yes | Installed | Yes | Made | being done | DAT sent to Secn'd |
| 6 | SRG(Infoted | Outstanding** | Done | Yes | **Pending** | to be ordered | Pending | ****Pending** | ****Pending** | Pending |
| 7 | Computech | made | Done | by 23/7/97 | by 25/7/97 | to be ordered | Pending | Pending | Pending | Pending |
| 8 | Unoasia | made | Done | Yes | Yes | Installed | Yes | Made | being done | DAT sent to Calcutta |
| 9 | MAS | made | Done | Yes | Yes | Installed | Yes | **Rs.2,79,700/- o/s.** | being done | DAT sent to Delhi |
| 10 | Bigshare | made | Done | Yes | on 21/07/97 | inst. on 22/7/97 | Pending | Made | Pending | Pending |
| 11 | Oswal Chen | made | Done | by 21/7/97 | by 25/7/97 | del. exp. 21/7/97 | Pending | Made | Pending | Pending |
| 12 | NALCO | to be made** | to be done | **Pending | **Pending | **Pending | Pending | Pending | Pending | Pending |
| 13 | CAMS | made | Done | by 25/7/97 | Pending | to be installed | Pending | to be made | Pending | Pending |
| 14 | CAMEO | Payment made | Done | Done | by 25/7/97 | to be installed | Pending | exptd. 28/7/97 | Pending | Pending |
| 15 | IIT Corporat | Payment made | 21/07/97 | by 25/7/97 | Pending | del. exp. 26/7/97 | Pending | Made | Pending | Pending |
| 16 | AMTRAC | Payment made | by 22/7/97 | Pending | Pending | to be ordered | Pending | to be made | Pending | Pending |
| 17 | Aarthi Con. | to be made** | to be done | Pending | Pending | Pending | Pending | to be made | Pending | Pending |
| | | | | | | | | | | |

Procedure: IID 004
Title: Hardware Procurement Information Form
EXHIBIT II

# HARDWARE PROCUREMENT INFORMATION FORM

**Business Partners Name** :
**Nature of Operations** : **DP / SR / CC**
**NSE Member** : **(Y/N)**
**Postal Address** :

| No. | Equipment | Brand | Model | Operating System | Vendor Name | P.O. Date | Expected Delivery Date |
|---|---|---|---|---|---|---|---|
| 1. | Server | | | Win' NT 4.0 | | | |
| 2. | Client | | | Win' 95 | | | |
| 3. | Printer | | | NA | | | |
| 4. | Router '*' With Cable | | | '**' | | | |
| 5. | Modem | | | NA | | | |

It is mandatory to acquire hardware equipment of the empanelled brand & specific models with the detailed configuration specified by NSDL.

'*' While ordering CISCO router (Model 2501), please note that a 'Transceiver (AUI to UTP or AUI to BNC)' should be ordered for connecting router in LAN, depending upon LAN set-up with UTP or Thin Ethernet type. Also it may be noted that a V.24 cable for CISCO & MOTOROLA routers for 'VSAT' users and V.35 custom made cable for 'Leased Line' users should be ordered.

'**' Operating System for CISCO Router is IOS Ver 11.1.4 with IP feature only. For Motorola router, the Operating System comes preloaded.

**Name (Procurement/System Incharge)** _____

**Designation** _____

**Signature & Date** _____

*Please affix your office seal here*

Procedure: IID 004
Title: VSAT Undertaking

EXHIBIT III

# VSAT UNDERTAKING

1. Enclosed VSAT undertaking should be stamped as an agreement and notarized. Please use Non Judicial stamp paper of Rs. 100/- or the value prevailing in your state (whichever is higher). Please type the following on the stamp paper as the first page and sign

Undertaking cum Indemnity

This Non Judicial Stamp paper of Rs. _____ forms part and parcel of this undertaking cum indemnity submitted to the National Stock Exchange of India Limited by

Mr./Mrs./Ms _____ on _____ day of _____ 1997

* Signature

* To be signed by the person(s) signing the VSAT undertaking enclosed herewith

---

2. Please type the following on the last page of the agreement (below the Common Seal )

The common seal of _____

_____

was hereunto affixed pursuant to a resolution passed at a meeting of the Board of Directors of the company held on the _____ day of _____, 1997.
in the presence of **_____

Signature

(Name and Designation)

Procedure: IID 004
Title: No Objection Certificate for Installation of Dish Antenna
EXHIBIT IV

**NO OBJECTION CERTIFICATE FOR INSTALLATION OF DISH ANTENNA**

**(to be obtained from owner/society authorities of the building)**

**To,**
**National Stock Exchange of India Limited**
Mahindra Towers, RBC,1st Floor, "A" Wing,
Worli, Mumbai 400 018

Name of the Company :

Registered Office Address :

Office Address :
(site earmarked for
VSAT Installation)

Contact Person:

Phone No:

Fax No. :

We hereby declare that the above mentioned building/premises where the VSAT and Dish Antenna for the use of _____ (Name of the Company) will be installed, belong to us and we have no objection to your installing the said equipment.

**Authorised Signatory :**

**Seal of the Organisation:**

**Dated :**

*(Note: Kindly forward this documemt to NSDL for onward transmission to NSEIL)*

Procedure: IID 004
Title: Form A (General Information)

EXHIBIT V

**FORM A**

| | |
|---|---|
| Name of Business Partner (Issuer/Registrar) | |
| Place of operation (give complete address) | |
| Contact persons - Systems (with name & designation) | |
| Tel. No. | |
| Fax. No. | |
| Contact persons - Operations (with name & designation) | |
| Tel. No. | |
| Fax. No. | |

Date:

Name & Designation:

Signature:

Identification Code: IID005
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Establishing connectivity with the Issuer/R&T Agent

PURPOSE: To co-ordinate between the various departments of NSDL and with the Issuer/R&T Agent to complete the documentation required and obtain the necessary authorisations to install the application software and establish system connectivity between the two entities.

PROCEDURE:

Officer

1. Sends a letter to the Issuer/R&T Agent requesting payment for software. (Exhibit I)

2. Informs NSDL's Network Department once the VSAT equipment is installed and the hardware equipment is in place. Refer to related procedure IID004.

NOTE: The Network Department assigns an IP address and helps to establish connectivity with NSDL's system.

3. Receives Form B from the Issuer/R&T Agent and forwards it to the Hardware Department which certifies that the equipment conforms to NSDL specifications. (Exhibit II)

4. Distributes certified Form B to
a. Vice-President - Operations and
b. Vice-President - Systems

5. Receives Form C1 - Declaration for system software configuration. availability of skilled staff and accessories from Issuer. (Exhibit III)

6. Forwards Form C1 to the Systems Department which is then signed off by HOD - Systems authorising the installation of application software.

7. Ensures that payment has been received for the application software before proceeding.



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NOTE: The Systems Dept. sends the DATs to the Issuer with NSDL's Share Registrar Application Software (SHR) and with an instruction manual on how to load the software. This is installed by an engineer from the Issuer/R&T Agent's office. The Help Desk provides necessary help while the software is being loaded Once the software has been loaded successfully, it is checked by the Systems Department by a remote login.

8. Receives from Issuer/R&T Agent Form C-2 - Software Installation Status Report duly filled after successful installation in preparation for the test run. (Exhibit IV)

9. Forwards Form C-2 to the Systems Department.

NOTE: The Systems Dept. checks that the software has been loaded successfully by logging in remotely.

Procedure Number: IID005
Title: Letter to Issuer regarding software charges
EXHIBIT I

Date
Ref: ~~1997~~

Dear Mr.----------,

**Sub: Payment towards SQL Server/DPM Appln./SMS Software Installation.**

The following charges are payable to NSDL towards Software installation to be made at your organisation.

| | | |
|---|---|---|
| 1. SQL Server software | | Rs. 25,500/- |
| 2. DPM Application software | | Rs.2,50,000/- |
| 3. SMS Client software | | Rs. 4,200/- |
| | **TOTAL** : | Rs.2,79,700/- |

Kindly arrange to do the needful at the earliest.

Thanking you,

Yours faithfully,

Procedure: IID 005
Title: Form B

# EXHIBIT II(a)

**Declaration for the hardware procured & installed for NSDL project**

**FORM-B**

**Company Name** : _____
DP / SR / CC : _____
NSE Member : (Y / N)

| **Components** | | | **Mark as 'Yes' or 'No'** | **If 'No' than Specify the details** |
|---|---|---|---|---|
| **Server Installation** | Brand | Empanelled Brand | Make - | |
| | Processor | Pentium / Pentium Pro | Model - | |
| | Speed | 166 MHz / 200 MHz | | |
| | Memory | 64 MB ECC | | |
| | Cache | 512 KB / 256 KB | | |
| | Storage Device | 2 X 2 GB SCSI-II | | |
| | Fault Tolerance | RAID –1 / RAID -5 | | |
| | Controller | PCI F&W SCSI-II RAID Controller Supporting RAID-1 To RAID-5 | | |
| | Backup Device | 4mm,4/8 GB DAT Drive. | | |
| | Backup Device | Tested Backup / Restore | | |
| | Make | HP / Exabyte / Sony | | |
| | Ethernet Card | PCI Combo Card | | |
| | CD ROM | Quad Speed ( 4X ) | | |
| | Mouse | PS 2 (On PS 2 Port) | | |
| | Keyboard | 101 Keys Standard. | | |
| | Monitor | SVGA Colour Monitor | | |
| | VGA Card | PCI , With 1 MB VRAM | | |
| | | | | |
| **Server Software** | Operating System | Windows' NT Ver 4.0 | | |
| | | Configured NT In PDC. | | |
| | Registration | Is the Software Registered | | |
| | Anti Virus | Server Based Anti Virus | Make - | |
| | | | | |
| **Client For Server** | Brand | Empanelled Brand | Make - | |
| | Processor | Pentium | Model - | |
| | Speed | 100 MHz / 133MHz | | |
| | Memory | 32 MB EDO | | |
| | Cache | 256 KB | | |
| | Storage Device | 630 MB or 1 GB IDE | | |
| | Controller | PCI – IDE | | |
| | Ethernet Card | 16 Bit / PCI COMBO. | | |
| | Mouse | PS 2 (On PS 2 Port) | | |
| | Keyboard | 101 Keys Standard. | | |
| | Monitor | SVGA Colour Monitor | | |
| | VGA Card | PCI , With 1 MB VRAM | | |
| | | | | |
| **Client Software** | Operating System | Windows' 95 for client | | |
| | Registration | Is the Software Preloaded | | |
| | Anti Virus | Client Based Anti Virus | Make - | |

Procedure: IID 005
Title: Form B

# EXHIBIT II(b)

**Declaration for the hardware procured & installed for NSDL project**

## FORM-B

| Components | | | Mark as 'Yes' or 'No' | If 'No' than Specify the details |
|---|---|---|---|---|
| **Printer** | Laser Jet | HP – 5P / 5 Si. | | |
| | Desk Jet | HP - 600 / 660C / 690C | | |
| | | | | |
| **Network Equip.** | Router | Empanelled Brand | | |
| | Router Make | Cisco / Motorola | | |
| | Router Model | 1005 / 2501 / VG 300 | | |
| **For VSAT Users.** | Cable ( To IDU) | V.24 Cable For Cisco / V.24 Cable For Motorola | | |
| **For Leased Line Users.** | Cable ( To DTU) | V. 35 Custom Made | | |
| | IOS (For CISCO Router Only) | IP Feature Set Only Version 11.1.4 | | |
| | VSAT | Antenna Installation | | |
| | Cabling | Antenna to IDU | | |
| | Backup for Above | Dial-Up Modem | Make - | |
| | | | Tel. No.- | |
| | | | | |
| **UPS** | Make | APC | | |
| | Capacity | 2 KVA | | |
| | Connected to | Server | | |
| | | Clients | | |
| | | Router | | |
| | | Printer | | |
| | | IDU | | |
| | | | | |
| **Environment** | VSAT | VSAT ID Number - | | |
| | | | | |
| | | | | |
| | Router | Configured & Tested | | |
| | | Local X.25 Address | | |
| | | Serial Port IP Address | | |
| ***( To Be Filled By*** | | Ethernet Port IP Addr. | | |
| ***NSDL Office Only)*** | | | | |
| | Server | NT server IP Address | | |
| | | | | |
| | Central Site | Host IP Address | | |
| | | Central Site IP Address | | |
| | | Next Hop IP Address | | |

**Systems Incharge Name:**_____ **Signature:** _____ **Date:**

**Head of DP/SR/CC Name:**_____ **Signature:** _____ **Date:**

| ***FOR NSDL USE ONLY*** | | |
|---|---|---|
| **Certified for Software installation** | **Signature :** | **Date :** |

Procedure: IID 005
Title: Form C1

EXHIBIT III(a)

# ANNEXURE-X

## FORM C1

DECLARATION FOR SYSTEM SOFTWARE CONFIGURATION, AVAILABLITY OF SKILLED STAFF & ACCESSORIES

General Instructions

1. To be filled after Windows NT installation and configuration.
2. After filling it address it to Assistant Manager (Systems).
3. Installation of application software will not be initiated until filled C-1 form is sent to NSDL.
4. If space is inadequate then write details in separate sheet and attach it with the form.

-A- What is the composition of your system and computer operation staff for NSDL operation? ( Please give no. of persons available for appropriate positions )

| | | | |
|---|---|---|---|
| System administrator | | Staff trained on Windows NT | |
| Computer operation Staff | | Staff trained on SQL Server | |
| No. of Microsoft Certified Engineers (MCSE) | | | |

-B- The recommended minimum skills that the system administrator at BP side should have for an efficient and smooth functioning of the system are listed below ( Please tick in front of the expertise available with the system administrator )

*WINDOWS NT AND NETWORKING CONCEPTS*

- ❑ Familiarity with WINDOWS NT,WINDOWS 95 environment
- ❑ Basic concept of domains and IP addressing
- ❑ Creating user accounts
- ❑ Implementing security on files and resources
- ❑ Interpreting event log and taking backup of event log
- ❑ Preventive measures against system breakdown
- ❑ Backup and restoring of data

*SQL SERVER*

- ❑ Basic RDBMS concepts
- ❑ Familiarity with SQL server tools like SQL enterprise manager , isql/w
- ❑ Monitoring SQL activity using performance monitor
- ❑ Backup and restore of SQL databases using enterprise manager
- ❑ Interpreting SQL server error log

-C- If present staff does not have skills mentioned above, please indicate:

When is the training planned for staff : _____

Duration of training : _____

Procedure: IID 005
Title: Form C1

EXHIBIT III(b)

Name of the institute : _____

-D- How many people have access to NT Console (administration password) ? ☐

-E- System staff details

| | Shift-1 | | Shift-2 | | Shift-3 * | |
|---|---|---|---|---|---|---|
| | Name | No. | Name | No. | Name | No. |
| System Administrator | | | | | | |
| Database Administrator | | | | | | |
| Operators | | | | | | |
| | | | | | | |
| | | | | | | |
| | From | To | From | To | From | To |
| Shift Timings | | | | | | |

** Note: Shift-3 would be required in case of extended production hours when EOD may be delayed.*

-F- Have you received following documents ? (If received please tick mark)

☐ Operation ☐ SR User Manual ☐ System Administrator handbook

-G- Please mention your System date and Time Zone : _____

-H- Which virus protection s/w you are using ?

Server : _____

Node : _____

**-I- On behalf of my organization, I undertake to provide for the following, as on the date of admission to NSDL, as a Depository Participant**

- No other application apart from the " NSDL DPM Application" has been installed and running on the hardware (i.e. Server as well as Nodes) procured for the purpose of NSDL DPM Application.
- A fire proof cabinet for storing DATs has been acquired by us : ☐ Yes ☐ No
- Plan to acquire the said cabinet by : / / (Date)
- Remote Backup DATs will be stored at (location name) ☐
- One set of backup DATs will be rotated to the Remote location on a daily basis
- We have the stock of DATs for the purpose of Backup with the following specifications

Procedure: IID 005
Title: Form C1

EXHIBIT III(c)

| | | | |
|---|---|---|---|
| Total No. | | DAT Specification | |
| Manufacturer Name | | | |
| Date of Acquisition | / / | (currently not in stock) | |

**Signature** **Date**

**Name** _____

**Organization** _____

(For Office use only)

**Verified by**

**Signature** **Date**

**Name** _____

Procedure: IID 005
Title: Form C2

EXHIBIT IV (a)

## ANNEXURE-XI

### FORM C2

S/W INSTALLATION STATUS REPORT

**General Instructions :**

1. Form C2 is a checklist which helps you to go through your installation procedure
2. Form C2 is to be filled while carrying out installation procedure
3. In case of discrepancies mark in Form C2 where ever required

**Client:** _____ **Date:** _____

**Status [TEST /LIVE]:** _____

| COMPONENTS | STEPS | CHECK (Y/N) |
|---|---|---|
| 1) DRIVE (where Win NT installed) | C:\ ( NTFS ) | |
| 2) SERVER INSTALLATION : | Check following directories :_ | |
| | \APLNINST | |
| | \BACKUP | |
| | \BACKUP_CODE | |
| | \BACKUP_OLD | |
| | \DLLS | |
| | \DPINSTAL | |
| | \INTERFACE | |
| | \IOMANAGE | |
| | \NSDLCOMM | |
| | \SQLSERVER_INSTALL | |
| 3) SQL SERVER 6.5 | | |
| | a)Check if size of Master DB Device as 50MB. | |
| | b)Check the options-: | |
| | Auto start SQL Server at boot enabled | |
| | Auto start SQL Executive at boot enabled | |
| | c)Check the options-: | |
| | install to log on as Local System Account clicked | |
| | d)Check if the server is started Using Service Manager in SQL Server 6.5 group | |
| | e)Check if the server is Registered using Enterprise Manager in SQL Server 6.5 group | |
| 4) SETUP(ODBC) On Server | | |
| | Click on the ODBC icon in Control Panel | |
| | a)Check the following information at the appropriate places | |
| | (Click on the OPTIONS button to get the database name) | |

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Procedure: IID 005
Title: Form C2

EXHIBIT IV (b)

| | | |
|---|---|---|
| | DATA SOURCE NAME = DPM | |
| | SERVER = SERVER NAME | |
| | DATA BASE NAME = NSDLDPM | |
| | b)Check Use Trusted Connection is enabled (CROSSED ) | |
| system DSN : | a) DSN = NSDL | |
| | Server = Local | |
| | Database = NSDLDPM | |
| | b)Check Use Trusted Connection is enabled (CROSSED ) | |
| | c) Check Convert OEM to ANSI char. Is disabled (not marked) | |
| 5) DATABASE INSTALLATION | | |
| | Go to SQL Enterprise Manager in SQL Server 6.5 and click on '+' sign near server name | |
| | click on '+' sign near Databases | |
| | a)Check 'NSDLDPM' Database present | |
| | click on '+' sign near NSDLDPM | |
| | click on '+' sign near objects | |
| | b)Check Tables in NSDLDPM Data Base | |
| | c)Check Stored Procedures in NSDLDPM Data Base | |
| 6)COMMUNICATION | | |
| | a)Check \iomanage\input\rexec\dpcfg | |
| | b)Check \iomanage\output\texec\dpcfg | |
| | c)Check \interface\dptrans.exe | |
| | d)Check \interface\dprec.exe | |
| **CLIENT INSTALLATION:-** | | |
| 1)SETUP (ODBC) | | |
| | Click on the ODBC icon in Control Panel | |
| | a)Check the following information at the appropriate places | |
| | (Click on the OPTIONS button to get the database name box) | |
| | DATA SOURCE NAME = DPM | |
| | SERVER = SERVER NAME | |
| | DATA BASE NAME = NSDLDPM | |
| | b)Check Use Trusted connection is disabled. | |
| 2)APPLICATION SOFTWARE | | |
| | a)Check \crystal directory & *.rpt files in the same directory. | |
| | b)Check DPM.INI file in \windows | |
| | c) open \windows\DPM.INI in notepad | |
| | check following | |
| | Contents of [DPM] | |
| | DSN = DPM | |
| | DB NAME = NSDLDPM | |
| | d)Check shortcut for \program files\nsdl_dpm\nsdl_version11 on desktop | |
| 3) NO. OF NODES INSTALLED | | |
| 4) AFTER SUCCESSFUL INSTALLATION... | Ensure that you should have windows-NT35 directory backup with REGISTRY. | |
| | 2. **Create C:\REPORTS** directory on each client. | |
| | Take a **soft copy or hard copy** of **c:\dpinstal\chklist.out** | |

Procedure: IID 005
Title: Form C2

EXHIBIT IV (c)

| | | |
|---|---|---|
| | **4. Delete** the **DPINSTAL & DLLS** from the server | |
| | 5.SA PASSWORD was set to NULL. You have to change the password. Changed ? (y/n) | |

**User Details**

1. No. of Users on Windows NT & SQL Server with 'Rights'
   (Shift wise authorisation levels & names )

2. Are separate passwords assigned to different users (Y/N)

3. No. of Users on Application with authorisation level

| AUTHORISATION LEVEL | Nos. |
|---|---|
| ADMINISTRATOR | |
| MANAGER | |
| OFFICER | |
| EXECUTIVE | |
| OPERATOR | |

**Prepared by** :_____

**Signature** : _____

**( To be filled up by NSDL )**

**Date** : _____

**Checked by** : _____

**Signature** : _____

Identification Code: IID006
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Master file creation and move to production

PURPOSE: To enter the master file information into the system based on information supplied by the Issuer/R&T Agent. To move the scrip to the production environment after completing three successful test runs

NOTE: After signing the agreement, if the R&T Agent is already connected electronically to NSDL, the master file is created immediately. If the Issuer/R&T Agent is not connected to NSDL, the equipment and VSAT connection must be obtained first, followed by the master file creation.

PROCEDURE:

Officer 1

1. Enters the information in the master file creation form which has been filled up by the Issuer into the system. (Exhibit I)

Officer 2

2. Verifies the master file information entered.

Officer 3

3. Assigns the BP-ID (Business Partner ID) and LUD ID (Logical Unit Devices ID) and enters this into a register. Enters these IDs on Form D (Part II) Production Installation Authorisation Form. (Exhibit II)

4. Sends Form D (Part II) to the HOD - Systems.

5. Notifies Issuer/R&T Agent that the account is set up in the System.

HOD/Manager

6. Approves by signing the master file creation form.

Officer 1

7. Forwards the master creation form to the Systems Department to initiate the test run.

NOTE: The short name convention is similar to that adopted by NSE.

8. Sends the "General Operating Instructions for all Business Partners" to the Issuer/R&T Agent and asks them to initiate the test run. (Exhibit III)

NOTE: The test run comprises of completing at least 3 cycles on the test bed. Three BODs and three EODs are run and dummy data is sent and received from the Issuer/R&T Agent. The backup DATs received from the Issuer/R&T Agent are checked by the Systems Dept. After successful completion of the test run, the Systems Dept. signs Form D (Part I) - Test Run Report authorising the securities to be moved into the production environment. (Exhibit IV)

9. Forwards Form D (Part II) - Production Installation Authorisation Form which is an internal form to HOD - Operations for authorisation.

10. Receives signed Form D (Part II) from HOD - Operations.

11. Forwards the authorised form to the Systems Department to transfer the security to the live environment.

Officer

12. Sends a memo to the Depository Participant Interface Department and Marketing Department informing them that the security is now in the live environment and giving details of the security (Exhibit V).

NOTE: The Marketing Department then issues a press release on the following Monday.

Procedure: IID 006
Title: Master File Creation Form
EXHIBIT I (a)

## INFORMATION REQUIRED FOR MASTER FILE CREATION

Short name of the Company (not exceeding 15 characters)

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | |

Full name of the Company

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

Address of the Registered Office including Telephone & Fax nos.

| |
|---|
| |
| |
| |
| |
| |
| |

Address for future correspondence

| | |
|---|---|
| **Compliance Officer** | |
| **Designation** | |
| **Department** | |
| **Investor Relations officer** | |
| **Designation** | |
| **Department** | |
| **Address:** | |
| | |
| | |
| | |
| | |
| **Telephone nos.** | |
| **Fax nos.** | |



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Procedure: IID 006
Title: Master File Creation Form

EXHIBIT I (b)

Type of entity

| Code List | Legal Form | Tick (✓) the relevant code |
|---|---|---|
| 01 | Joint Stock Company | |
| 02 | Statutory Company | |
| 03 | Mutual Fund | |
| 04 | Government | |

Details of the Equity Share Capital

| Share Capital | No. of Shares | Value (Rs.) |
|---|---|---|
| Authorised | | |
| Issued | | |
| Paid up | | |

Security details

| Face Value per security | Paid-up Value per security | Marketable Lot size |
|---|---|---|
| | | |

Stock Exchange details

| Name of Stock Exchange | Stock Exchange Security code |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Address of the Registry Operations where the physical securities for Dematerialisation are to be delivered by the depository Participants (DPs) *

| | |
|---|---|
| **Name** | |
| **Designation** | |
| **Department** | |
| **Address:** | |
| | |
| | |
| | |

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Procedure: IID 006
Title: Master File Creation Form
EXHIBIT I (c)

Share holding pattern as of the last book closure

| **Held By** | **% age of Holdings** |
|---|---|
| Institutions | |
| UTI | |
| LIC | |
| GIC | |
| IDBI | |
| IFCI | |
| ICICI | |
| Other FIs | |
| Mutual Funds | |
| Corporate Bodies | |
| Promoters | |
| Individuals/Public | |

**Details of locked-in shares**

| **Distinctive numbers (from - to)** | **Date of lock-in release** |
|---|---|
| | |
| | |

Kindly enclose the following:

1. Copy of the Board Resolution passed (if any) for dematerialising the security
2. Latest Distribution of holdings filed with Stock Exchange
3. Latest Shareholding pattern filed with Stock Exchange
4. *Others addresses where the physical documents for dematerialisation will be accepted by the Company/Registrar

Date:

Rubber Stamp:

Procedure: IID 006
Title: Form D (Part II)

EXHIBIT II (a)

**FORM D (Part II)**

**NATIONAL SECURITIES DEPOSITORY LIMITED**

PRODUCTION INSTALLATION AUTHORISATION

Dated : _____

**NATURE OF BUSINESS PARTNER: Issuer/Registrar**

| | |
|---|---|
| Name of the Issuer | |
| Company Short Name | |
| Company Long Name | |
| Nature of Business and Code | |
| Capitalisation /Paid Up Capital (Rs.) | |
| Legal Form | |
| Registered address of the Company<br><br>Phone Numbers<br>Fax Numbers | |
| ISIN Allotted | |
| Security Type & Code | |
| Security Details<br>i) Marketable Lot<br>ii) Par Value per share<br>iii) Paid Up Value per share | |
| Contact Person (s) of the company | |
| Listing Details of Security<br>a) Primary Stock Exchange<br>b) Closing price as per NSE | |
| **Particulars of In-house Share Department /R & T Agent** | |
| a) Name of the R & T Agent<br>b) Short name***<br>c) Contact Person***<br>Designation***<br>d) Address ***<br><br>Telephone Number(s)***<br>Fax Number(s)***<br>*Not applicable for existing R & T Agent* | |
| BP- ID number | |
| LUD Id | |
| Nature of Connectivity | |
| TCP/IP address of NT Server | |
| Authorisation<br>• Operations Department (Signature of authorised signatory)<br>• Systems Department (Signature of authorised signatory) | |

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Procedure: IID 006
Title: Form D (Part II)

EXHIBIT II (b)

| | |
|---|---|
| | |
| Entry of master data in production environment: | |
| Date on which entered | |
| Master data entered by | |
| | |
| Master entries verified and activated by | |
| | |

Procedure Number: IID006
Title: General Operating Instructions for all Business Partners
EXHIBIT III (a)

# General Operating Instructions for all Business Partners

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## BACKUP

- BPs should ensure that adequate number of DATs (atleast 10 per week) are available for taking Backups.
- The systems person must take backup **daily**, 30 minutes after confirming the 'Business Ended' message in system operation profile.
- BPs should maintain a **Remote** Backup.
- BPs should send in Backup DATs when asked by NSDL. This will help NSDL to confirm the correctness of Backup procedure carried out by the Participants and also check integrity of the data backed up.
- Backup should be taken every day, even if there are no business transactions.
- In case of BPs working on Saturdays & Sundays, backup should be taken on separate DATs reserved for Saturdays & Sundays.

- Do not recycle the tapes in the same week.
- Do not select the **Replace** option while taking hourly Transaction Log backup (except when the tape is used for the first time or when it is recycled)

## WINDOWS NT

- Ensure that you should have Windows NT Setup Boot Diskettes.
- Prepare the Emergency Repair disk after Windows NT installation.
- Ensure that you should have \Windows NT35 Directory Backup with **Registry**.

## ROUTER

- Keep the Router on until 30 minutes past receipt of 'Business Ended Message'. The router can be switched off then, just before taking backup.
- Do not change any of the Router configuration unless specifically instructed by the NSDL Networking Group.

## MODEM/IDU

- Keep the IDU/MODEM on until 30 minutes past receipt of 'Business Ended Message'. The router can be switched off then, just before taking backup.

## UPS PROTECTION

- Should have UPS to protect Server + Router + Modem + IDU. The UPS should have atleast 30 Minutes backup.
- In case of power failure, ensure that system is gracefully shutdown (through File/Shutdown" option of Windows NT menu) before UPS trips. Before starting operations please ensure that the UPS battery is fully charged.

Procedure Number: IID006
Title: General Operating Instructions for all Business Partners
EXHIBIT III (b)

## TRAINING/STAFFING

- Train adequate staff for operating the DPM software and administering the system for minimum 2 shift operations.
- BPs should ensure that the system administrator is trained by NSDL on use of Application Software as well as other application related system administration procedures, like taking backup, starting and shutting communication and interface process etc.
- BPs shall ensure that trained WIN NT and MS SQL staff is available for administration the DPM system. This is applicable for DBA functions also.
- The system administrator should posses skills on Windows NT and SQL Server Required skills on Windows NT and SQL Server are listed below

  - ◊ Familiarity with Windows NT and Windows 95 environment
  - ◊ Basic concept of domains and IP addressing
  - ◊ Creating user accounts
  - ◊ Implementing security on files and resources
  - ◊ Interpreting event log and taking backup of event log
  - ◊ Preventive measures against system breakdown
  - ◊ Backup and restoring data
  - ◊ Basic RDBMS concepts
  - ◊ Familiarity with SQL server tools like SQL enterprise manager, isql/w
  - ◊ Monitoring SQL activity using performance monitor
  - ◊ Backup and Restore of SSQL databases using enterprise manager
  - ◊ Interpreting SQL server error log

Kindly note that the BPs can avail the training facilities provided by Authorized Training Centers of Microsoft.

- It is mandatory for the BPs to arrange for systems administrator to remain available
  - ◊ during the crucial time of Business Operation on production environment
  - ◊ during power on and power off of system
  - ◊ on call (round the clock) while not present at the BP site

## POWERON/OFF

- While powering down the server ensure that on all client terminals have quit out of the DPM application .Then on the server select **'File/Shutdown'** and select option 'Shutdown'. Only when the message is displayed **"It is now safe to turn of the computer"**, server should be powered Off.
- Do not allow the operations staff to start operating the DPM software unless the systems Administrator ensures that all the communication processes are started.

## HELPDESK CALLS

- All Help Desk calls should be directed on Number- 4945177 ,in case this number is busy you should call up on 4972950-59 Ext. 407/408

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Procedure Number: IID006
Title: General Operating Instructions for all Business Partners
EXHIBIT III (c)

## OPERATIONAL SCHEDULE :

- The BPs should ensure that the communication process be shut off at 9.30 a.m. every day from Monday to Friday. If there are any changes, they will be communicated separately.
- Participants and Registrars should start the communication process only after 3.30 p.m. daily. (6:00 p.m. on settlement day, which is generally Wednesday )
- Thus communication process should be compulsorily shut off between 9.30 a.m. to 3.30 p.m. ( 9:30 a.m. to 6:00 p.m. on settlement day, which is generally Wednesday )
- From 9:30 am to 3.30 p.m. (6:00 p.m. on settlement day, which is generally Wednesday) BPs can function in Capture Mode.
- BPs will not be able to "Verify and Release" after the scheduled time of EOD ie. 6.300 PM (8:00 PM on settlement day, which is generally Wednesday) onwards. From this time onwards the BPs will be working in Capture mode. The BPs will start working in "Verify and Release" mode after getting the next BOD message.
- The BP can again start the communication process after the backup is over. However "Verify and Release" will not be possible if the BOD for the next day is not sent by NSDL.
- If the Communication process is on at the BP's server and BOD is received, the DPs can "Verify and Release", but only upto 9.30 a.m. next day (provided next day is not Saturday or Sunday).
- Even if there are no business transactions, the BP's server should be kept on every day, starting from 3.30 p.m. (6.00 p.m. on settlement day, which is generally Wednesday), until 30 minutes past receipt of `Business Ended' message.
- EOD time can be extended in case of bulk master data entry being carried out at NSDL. In this case the BPs will be required to arrange for adequate staff to take the Backup and shut the system.

### *Summary*

- Transaction "Verify and Release" operations between 3.30 p.m. to 6.30 p.m. on Monday, Tuesday, Thursday, Friday and 6.00 p.m. to 8.00 p.m. on Wednesday
- Registrars and Participants connected to Depository through Leased lines will be allowed Transaction "Verify and Release" operations between 9.30 a.m. to 6.30 p.m. on Monday, Tuesday, Thursday, Friday and 9.30 to 8.00 p.m. on Wednesday

**EOD/BOD**

- Depository will certainly broadcast BOD message to all participants and Registrars before 9.30 a.m. of the working day. Depository will endeavor to broadcast the same preferably by midnight of the previous working day.
- It should be noted that BOD message broadcast at Friday midnight/Saturday early morning will be for BOD of Monday or the first working day of coming week.
- Thus all the transaction "Verified and Released" on Saturday and Sunday will be booked for Monday.

Procedure Number: IID006
Title: General Operating Instructions for all Business Partners
EXHIBIT III (d)

## SECURITY

- It is mandatory for the system administrator, at BP, to assign specific roles to the operators.
- Each operator should have different Login Name and Password on Windows NT, SQL Server and Application.
- All users should not be given System Administrator privilege.

## SERVER BOOTING

- On booting the server a message is flashed on the screen "Do you want to boot from the Last Known Good Menu, Press Spacebar to do so". Do not select this option.

  Using this option is very Dangerous as it is quite possible that the registry entries maintained by Windows NT may be lost. This may also lead to reinstallation of Windows NT, as a result of which all the data on the server cannot be recovered.

## GENERAL

- Do not experiment with the installed system configuration.
- Check System Operation Profile everyday at 3.30 and check that the Current Business Date is updated. In case of discrepancy contact Help Desk.
- Report any error to help-desk immediately.
- Check whether all processes are running in Administrative tools/Performance Monitor.
- The system on which the DPM software is loaded should not be put to any other use ie no other application software should be installed
- Do not delete or load any file on the system unless specifically directed by NSDL IT staff.
- Do not change Date/Time or any other configuration ,unless specifically directed by NSDL IT staff
- Do not connect DPM system's clients machines to any other WAN
- Do not change the System Administrator password without a formal communication to NSDL.
- Do not access SQL database externally unless specifically directed by NSDL Systems staff.

Procedure: IID 006
Title: Form D (Part I)

EXHIBIT IV

NOT AVAILABLE AT THIS TIME

Procedure: IID 006
Title: Interoffice Memo

EXHIBIT V

# Interoffice Memo

**Date:** _____

**To:** H.O.D (DP Interface Dept.)

**CC:** H.O. D (Marketing Dept.)

**From:** H.O.D (Operations Dept.)

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This is to inform you that ISIN of _____ Limited has been activated and its shares will be available for dematerialisation with effect from _____, 1997.

ISIN - INE_____

Security Type - Fully paid-up equity shares

BP id - _____

Registrars - _____

Address where physical securities are to be sent -

*Name of the Contact Person.* _____
Designation._____
Name of the Registrar _____
Address where the Physical Securities have to be sent:
_____
_____
Tel: _____
Fax:_____

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Identification Code: IID007
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing the one time custody charge payment

PURPOSE: To process the one time custody charge payment scheme offered to Issuers/ R&T Agents for the benefit of their shareholders.

PROCEDURE:

Officer

1. Receives an enquiry from an Issuer regarding the one time custody charge payment scheme.

2. Calculates the average market capitalisation of the shares over the previous 6 months using the daily closing prices over the previous 26 week period.

NOTE: The custody charge for this market capitalisation is calculated at the rate of 5 basis points.

3. Sends the worksheet to the HOD.

HOD

4. Signs the worksheet used to calculate the market capitalisation.

5. Sends the worksheet to the MD for approval.

MD

6. Approves the charges in the worksheet and returns it to the HOD.

HOD

7. Sends the approved worksheet to the Officer.

Officer

8. Prepares a letter to the Issuer using the charges calculated in the worksheet. (Exhibit I)

9. Sends the letter to the HOD for approval.

HOD

10. Signs the letter and returns it to the Officer.

Officer

11. Faxes or couriers the letter to the Issuer along with a draft of the Letter of Proposal. (Exhibit II)

12. Receives the Letter of Proposal signed by the Issuer.



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13. Receives a cheque for the custody charge.

14. Forwards the cheque to the Accounts Dept.

15. Informs the Systems Dept. and the Participant Interface Dept. to change the billing process in DM.

16. Informs the Marketing Dept.

Procedure Number: IID007
Title: Letter to Issuer stating Custody Charges
EXHIBIT I

Dear Sir,

This is in reference to our telephone talk regarding the one time custody charge payment scheme for the benefit of your shareholders.

The market capitalization of 12,034,000 shares on the average closing price on the NSE for the period 3/2/97 to 1/8/97 works out to Rs 406.70 crore for the purpose of calculating the custody charge. The custody charge for this market capitalisation works out to Rs 20,33,515 @ 5 basis points.

The benefit of this scheme will be automatically available to the bonus issues that may be issued in future. However, the company will have to pay additional charge of 5 basis points to offer similar facility for the shares that may arise in future out of Rights issues, public issues, preferential allotments, conversion of any instrument into shares, mergers, etc. on the value of the new shares at issue / conversion price.

If the payment is made to NSDL on or before August 31, 1997, we will extend this facility with effect from September 1, 1997.

We will inform all our depository participants about this arrangement by way of a circular on receipt of the payment. You will appreciate that under this scheme, NSDL will waive the charges payable by the depository participant to NSDL; depository participant may still charge custody charge to the shareholders.

Please find enclosed a draft letter of proposal that you may send us back if you decide to use this facility.

Thanking you.

Yours faithfully,

**V. R. Narasimhan**
**Vice President - Operations**

Procedure Number: IID007
Title: Draft of Letter of Proposal

EXHIBIT II

Ref : Date :

Managing Director
National Securities Depository Limited
5th Floor, Trade World,
Kamala Mills Compound,
Lower Parel,
Mumbai - 400 013.

Dear Sir,

NSDL is charging annual custody charge @ 3.5 basis points on the Depository Participants which is being finally recovered from our shareholders. We would like to offer our shareholders the facility of holding dematerialised shares at a relatively lesser custody charge, by absorbing a part of custody charge payable by shareholders. We therefore make the following proposal :

⇒ All the shares _____(number of shares) shares outstanding at present will be admitted for the benefit under this proposal.

⇒ We will pay a one time charge of Rs. _____ computed at 5 basis points on the average market capitalisation based on average of closing price of our shares on National Stock Exchange of India Limited (NSEIL) for the period _____ to _____. Against this one time payment, NSDL may waive for ever the custody charge to the Depository Participants for our shares.

⇒ This facility shall be automatically available for all shares arising out of bonus issues, if any, in future.

⇒ We will avail a similar facility on all the shares that may arise out of rights issue / public issue / conversion of warrants into equity, private placements / preferential offers, mergers, etc. by making additional one time payment of 5 basis points on the basis of issue / conversion price.

We request you to kindly confirm the above offer.

Thanking you,

Yours faithfully,

for and on behalf of
(company name)

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Identification Code: IID008
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Monitoring Corporate Actions for mergers and acquisitions

PURPOSE: To contact Issuers who are already connected to the NSDL system, when it is likely that they are going to be involved in a merger or acquisition.

NOTE: At least one of the companies should be connected to the NSDL System.

PROCEDURE:

Officer

1. Monitors market sources such as
   a. Primealert,
   b. newspapers and
   c. corporate advertisements.

2. Identifies whether the Issuer/R&T Agent is connected to NSDL.

3. Contacts Issuers to solicit use of Depository.

Manager

4. Conducts a presentation on NSDL, focusing on the advantages the Depository System for mergers and acquisitions.

5. Receives notification from Issuer of decision to use the Depository.

6. Notifies Officer of decision.

Officer

7. Helps Issuer/R&T Agent and in structuring information to the investors.

8. Helps prepare the Agreement with the Issuer.

9. Helps Registrar procure the hardware and establish connectivity to the depository if he is not connected to NSDL. Refer to related procedure IID004.

10. Co-ordinates processing actions as necessary with Depository Participants.

| | |
|---|---|
| Manager | 11. Meets with representatives from the Issuer and Registrar to finalise procedures. |
| Officer | 12. Maintains all information pertaining to mergers and acquisitions in a file for future reference. |



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Identification Code: IID009
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Preparing Market Capitalisation Report

PURPOSE: To prepare the market capitalisation report every Friday evening and on an ad hoc basis. The report is prepared on the basis of the closing prices of NSE on that day.

BACKGROUND: The report comprises of three parts:
The Market Capitalisation of
I Companies who have joined NSDL to date
II Companies available for demat and
III Companies who have signed an agreement but are yet to connect.
The above three are based on actual data from the master creation form

If actual data is not available from the NSDL system, corporate details are obtained from PROWESS, a PC package on Corporate Information distributed by CMI (Centre for Monitoring the Indian Economy).

The market capitalisation report spreadsheet resides on the LAN. The read-only access is granted to all departments, but write access is granted only to a few individuals.

The spreadsheet has four columns: Name of company, total paid up equity capital, closing prices for the day on NSE and Market capitalisation.

PROCEDURE:

Officer

1. Enters the closing prices of stocks as of that day in the spreadsheet.

NOTE: The prices are available at 4.30 p.m. from the download from the NSE system. The system calculates the market capitalisation.

2. Prints the Market Capitalisation Report. (Exhibit I)

Asst. Manager

3. Checks the report against the previous week's figures.

4. Forwards the report to the ED and MD.

Procedure Number: IID009
Title: Sample Market Capitalisation Report
EXHIBIT I (a)

(As per the closing price quoted on NSE - dated 9th July, 1997)

| Sr. No | Company Name | No. of Shares | Price (Rs.) | Market Capitalisation (Rs. Cr.) |
|---|---|---|---|---|
| 1 | Advani Oerlikon Ltd | 15,828,300 | 42.95 | 68 |
| 2 | Anagram Finance Limited | 24,855,924 | 32.10 | 80 |
| 3 | Arvind Mills Ltd. | 99,858,435 | 147.40 | 1,472 |
| 4 | Arvind Polycot Ltd. | 24,100,000 | 11.25 | 27 |
| 5 | Asian Paints India Ltd. | 40,116,220 | 370.10 | 1,485 |
| 6 | Associated Cement Companies Ltd | 13,669,931 | 1547.95 | 2,116 |
| 7 | Bank of Baroda - Fully paid up | 203,537,400 | 130.80 | 2,662 |
| | Bank of Baroda - Partly paid up | 5,324,000 | 108.00 | 57 |
| 8 | Bharat Petroleum Corporation Ltd. | 150,000,000 | 450.00 | 6,750 |
| 9 | Blow Plast Ltd | 16,000,000 | 56.35 | 90 |
| 10 | Bombay Burmah Trading Corpn. Ltd | 13,954,380 | 86.00 | 120 |
| 11 | Bombay Dyeing & Mftg. Co. Ltd. | 40,395,530 | 114.90 | 464 |
| 12 | BSES Limited | 137,614,431 | 252.40 | 3,473 |
| 13 | Century Textiles & Industries Ltd | 4,652,284 | 2230.95 | 1,038 |
| 14 | Cipla Ltd | 19,990,783 | 788.10 | 1,575 |
| 15 | Cochin Refineries Ltd* | 68,934,890 | 149.50 | 1,031 |
| 16 | CRISIL | 6,200,000 | 396.10 | 246 |
| 17 | Dabur India Ltd. | 28,508,950 | 271.15 | 773 |
| 18 | Dena Bank | 60,000,000 | 25.10 | 151 |
| 19 | DGP Windsor India Ltd | 13,035,900 | 30.25 | 39 |
| 20 | Dhampur Sugar Mills Ltd. | 11,569,969 | 79.50 | 92 |
| 21 | Eicher Ltd* | 20,236,874 | 71.90 | 146 |
| 22 | Eicher Motors Ltd* | 19,999,200 | 19.85 | 40 |
| 23 | Escorts India Limited | 65,163,651 | 91.30 | 595 |
| 24 | Essar Oil Ltd | 238,676,755 | 14.20 | 339 |
| 25 | Essar Steel | 334,212,890 | 21.40 | 715 |
| 26 | Global Tele-Systems Limited | 19,613,690 | 96.60 | 189 |
| 27 | Grasim Industries Ltd | 72,313,970 | 397.35 | 2,873 |
| 28 | Great Eastern Shipping Co. Ltd. | 287,541,001 | 51.00 | 1,466 |
| 29 | Gujarat State Fertilizers & Chem. Ltd | 66,517,112 | 108.25 | 720 |
| 30 | HDFC Bank | 200,000,000 | 70.00 | 1,400 |
| 31 | HDFC Ltd | 11,911,400 | 4413.05 | 5,257 |
| 32 | Himatsingka Seide Ltd* | 9,552,475 | 147.00 | 140 |
| 33 | Hindalco Industries Ltd. | 74,465,970 | 1078.15 | 8,029 |
| 34 | Hindustan Inks & Resins Ltd | 5,931,000 | 84.50 | 50 |
| 35 | Hindustan Lever Ltd | 145,838,573 | 1385.80 | 20,210 |
| 36 | Hindustan Organic Chemicals Ltd | 67,253,000 | 30.15 | 203 |
| 37 | Hoechst Marrion Roussel | 23,030,622 | 452.60 | 1,042 |
| 38 | ICICI Ltd | 397,068,293 | 87.35 | 3,468 |
| 39 | IFCI | 353,615,808 | 36.90 | 1,305 |
| 40 | India Securities Ltd. | 26,594,385 | 10.05 | 27 |
| 41 | Indian Petrochemical Corporation Ltd | 248,950,900 | 148.20 | 3,689 |
| 42 | Indian Rayon and Industries Ltd. | 44,973,610 | 385.95 | 1,736 |
| 43 | Indo Gulf Fertilisers & Chem.Corpn. Ltd. | 187,172,949 | 34.90 | 653 |
| 44 | Industrial Development Bank of India | 673,093,300 | 103.15 | 6,943 |
| 45 | Infosys Technologies Ltd. | 7,258,600 | 2240.20 | 1,626 |
| 46 | Ispat Industries Limited* | 159,857,552 | 13.20 | 211 |
| 47 | ITC Bhadrachalam Paperboards Ltd | 68,711,593 | 58.20 | 400 |
| 48 | Jindal Iron & Steel Limited | 42,912,998 | 61.65 | 265 |
| 49 | Jindal Photo Films Limited | 17,004,064 | 55.20 | 94 |
| 50 | Jindal Strips Ltd. | 31,527,164 | 65.90 | 208 |
| | **MARKET CAPITALISATION** | | | **169,554** |

* - Source of information is CMIE database

Procedure Number: IID009
Title: Sample Market Capitalisation Report
EXHIBIT I (b)

**Market Capitalisation of Companies available for dematerialisation**

(As per the closing price quoted on NSE - dated 9th July, 1997)

| Sr. No | Company Name | No. of Shares | Price (Rs.) | Market Capitalisation (Rs. Cr.) |
|---|---|---|---|---|
| 1 | Siemens Ltd | 28,397,000 | 314.20 | 892 |
| 2 | Reliance Industries Ltd | 460,361,894 | 367.00 | 16,895 |
| 3 | HDFC Ltd | 11,911,400 | 4413.05 | 5,257 |
| 4 | ICICI Ltd | 397,068,293 | 87.35 | 3,468 |
| 5 | Prism Cement Ltd | 256,968,000 | 7.25 | 186 |
| 6 | Indian Petrochemical Corporation Ltd | 248,950,900 | 148.20 | 3,689 |
| 7 | CRISIL | 6,200,000 | 396.10 | 246 |
| 8 | Industrial Development Bank of India | 673,093,300 | 103.15 | 6,943 |
| 9 | Infosys Technologies Ltd | 7,258,600 | 2240.20 | 1,626 |
| 10 | Essar Oil Ltd | 238,676,755 | 14.20 | 339 |
| 11 | Reliance Capital Ltd. | 128,625,152 | 69.30 | 891 |
| 12 | Reliance Petroleum Ltd. | 899,507,200 | 17.45 | 1,570 |
| 13 | Associated Cement Companies Ltd. | 13,669,931 | 1547.95 | 2,116 |
| 14 | Ranbaxy Laboratories Ltd. | 49,414,717 | 650.85 | 3,216 |
| 15 | Dabur India Ltd. | 28,508,950 | 271.15 | 773 |
| 16 | Great Eastern Shipping Company Ltd | 287,541,001 | 51.00 | 1,466 |
| 17 | Larsen & Toubro Ltd. | 248,481,250 | 260.75 | 6,479 |
| 18 | Jindal Vijaynagar Steel Ltd. | 689,331,335 | 5.65 | 389 |
| 19 | Jindal Iron & Steel Ltd. | 42,912,998 | 61.65 | 265 |
| 20 | Asian Paints India Ltd. | 40,116,220 | 370.10 | 1,485 |
| 21 | Indo Gulf Fertilisers & Chem.Corpn. Ltd. | 187,172,949 | 34.90 | 653 |
| 22 | Jindal Strips Ltd. | 31,527,164 | 65.90 | 208 |
| 23 | Synthetics & Chemicals Ltd. | 26,433,159 | 11.50 | 30 |
| 24 | Jindal Photo Films Limited | 17,004,064 | 55.20 | 94 |
| 25 | Gujarat State Fertilizers & Chem. Ltd | 66,517,112 | 108.25 | 720 |
| 26 | Hindustan Lever Ltd | 145,838,573 | 1385.80 | 20,210 |
| 27 | Bank of Baroda - Fully paid up | 203,537,400 | 130.80 | 2,662 |
| | Bank of Baroda - Partly paid up | 5,324,000 | 108.00 | 57 |
| 28 | Rashtriya Chem. & Fert. Ltd. | 551,688,100 | 8.00 | 441 |
| 29 | Bombay Dyeing & Mftg. Co. Ltd. | 40,395,530 | 114.90 | 464 |
| 30 | Arvind Mills Ltd. | 99,858,435 | 147.40 | 1,472 |
| 31 | Arvind Polycot Ltd. | 24,100,000 | 11.25 | 27 |
| 32 | Anagram Finance Limited | 24,855,924 | 32.10 | 80 |
| 33 | BSES Ltd. | 137,614,431 | 252.40 | 3,473 |
| 34 | Bharat Petroleum Corporation Ltd. | 150,000,000 | 450.00 | 6,750 |
| 35 | United Phosphorus Ltd. | 24,574,270 | 208.15 | 512 |
| 36 | Hindalco Industries Ltd. | 74,465,970 | 1078.15 | 8,029 |
| 37 | Industrial Finance Corporation of India | 353,615,808 | 36.90 | 1,305 |
| 38 | Escorts India Limited | 65,163,651 | 91.30 | 595 |
| 39 | Dhampur Sugar Mills Ltd. | 11,569,969 | 79.50 | 92 |
| 40 | HDFC Bank Ltd | 200,000,000 | 70.00 | 1,400 |
| 41 | Global Tele-Systems Limited | 19,613,690 | 96.60 | 189 |
| 42 | Sun Pharmaceuticals Industries Ltd | 14,801,200 | 258.20 | 382 |
| 43 | Advani Oerlikon Ltd | 15,828,300 | 42.95 | 68 |
| 44 | Reliance Industrial Infrastructure Ltd | 15,100,000 | 38.95 | 59 |
| 45 | Grasim Industries Ltd | 72,313,970 | 397.35 | 2,873 |
| 46 | Hindustan Organic Chemicals Ltd | 67,253,000 | 30.15 | 203 |
| 47 | Himatsingka Seide Ltd | 9,552,475 | 147.00 | 140 |
| 48 | Bombay Burmah Trading Corpn Ltd | 13,954,380 | 86.00 | 120 |
| 49 | Blow Plast Ltd | 16,000,000 | 56.35 | 90 |
| 50 | DGP Windsor India Ltd | 13,035,900 | 30.25 | 39 |
| | **MARKET CAPITALISATION** | | | **137,553** |

Procedure Number: IID009
Title: Sample Market Capitalisation Report
EXHIBIT I (c)

**Market Capitalisation of companies who have signed agreement but yet to connect**

(As per the closing price quoted on NSE - dated 9th July, 1997)

| Sr. No | Company Name | No. of Shares | Price (Rs.) | Market Capitalisation (Rs. Cr.) |
|---|---|---|---|---|
| 1 | The Tata Iron & Steel Co. Ltd | 368,152,085 | 221.20 | 8,144 |
| 2 | Essar Steel Ltd. | 334,212,890 | 21.40 | 715 |
| 3 | India Securities Ltd. | 26,594,385 | 10.05 | 27 |
| 4 | Indian Rayon and Industries Ltd. | 44,973,610 | 385.95 | 1,736 |
| 5 | Dena Bank | 60,000,000 | 25.10 | 151 |
| 6 | Steel Authority of India Limited | 4,130,400,545 | 25.05 | 10,347 |
| 7 | ITC Bhadrachalam Paperboards Ltd | 68,711,593 | 58.20 | 400 |
| 8 | Oriental Bank of Commerce | 192,539,700 | 70.40 | 1,355 |
| 9 | Ispat Industries Limited | 159,857,552 | 13.20 | 211 |
| 10 | Kesoram Industries Ltd. | 33,531,870 | 44.40 | 149 |
| 11 | Morepen Laboratories Limited* | 7,798,850 | 189.60 | 148 |
| 12 | Cochin Refineries Ltd* | 68,934,890 | 149.50 | 1,031 |
| 13 | Wiezmann Limited* | 12,861,086 | 14.50 | 19 |
| 14 | Oswal Agro Mills Limited | 96,734,776 | 16.35 | 158 |
| 15 | Oswal Chemicals & Fertilizers Ltd | 227,409,159 | 16.45 | 374 |
| 16 | National Aluminium Company Ltd* | 1,280,619,200 | 42.25 | 5,411 |
| 17 | SPIC Ltd | 88,047,700 | 28.25 | 249 |
| 18 | OTIS Elevator Company Ltd* | 5,372,640 | 363.35 | 195 |
| 19 | Morarjee Gokuldas Spg. & Wvg. Co. Ltd* | 19,620,000 | 31.00 | 61 |
| 20 | Piramal Healthcare Ltd* | 10,006,672 | 171.85 | 172 |
| 21 | Nicholas Piramal Ltd* | 17,390,554 | 275.25 | 479 |
| 22 | Praj Industries Ltd* | 3,100,000 | 46.00 | 14 |
| 23 | Eicher Ltd* | 20,236,874 | 71.90 | 146 |
| 24 | Eicher Motors Ltd* | 19,999,200 | 19.85 | 40 |
| 25 | Timex Watches Ltd* | 40,000,000 | 31.05 | 124 |
| 26 | Usha (India) Ltd* | 160,895,385 | 9.25 | 149 |
| | **MARKET CAPITALISATION** | | | **32,002** |

Identification Code: IID010
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Training of Issuers/R&T Agents

PURPOSE: To arrange and conduct training of Issuers/R&T Agents in conjunction with the Training Department.

NOTE: This is usually a three day training session at NSDL's office. The first day which comprises the conceptual and operation training is conducted by this Department. The second day is the Systems training which covers hardware, software and networking and the third day is dedicated to hands on training.

PROCEDURE:

Officer

1. Sends the list and notices of training to the Training Department. (Exhibit I)

2. Finalises the group of participants.

3. Confirms the presenters and their schedule.

4. Informs training department of the participants and presenters. (Exhibit II)

HOD/Manager

5. Reviews training materials.

HOD/Manager/ Officer

6. Conducts the first day of the three day training course which is the Conceptual and Operations Training.

7. Receives feedback from the Marketing Dept. regarding the training session.

Procedure: IID 010
Title: List and Notices of Training
EXHIBIT I

29 July, 1997

**FAX TO** : **Name & Designation**
**Company Name**
**Fax no.:**

**FAX FROM** : **Mr. T Koshy**
**Vice President**

NSDL will conduct a 3 day training programme for Share Registrars. The details of the training programme are given below:

**Training Schedule:**

| **August 1997 Training** |
|---|
| **12th - Tuesday,** 10:00am to 5:30 p.m. |
| **13th -Wednesday,**10:00am to 5:30 p.m. |
| **14th - Thursday,** 10.:00 am to 1:30pm |

| **August 1997 Training** |
|---|
| **7th - Thursday,** 10:00am to 5:30 p.m. |
| **8th - Friday,** 10:00am to 5:30 p.m. |
| **9th - Saturday,** 10.:00 am to 1:30pm |

| Schedule | Topics covered |
|---|---|
| Day one | Operations related - Classroom module on depository, dematerialisation/rematerialisation, reconciliation, corporate actions, record maintenance, settlement, etc. |
| Day two | Systems related - Classroom module on connectivity, backup measures, fault logging, system security, back-office operations, etc. |
| Day three | Hands on Training |

Venue : Conference Room
Trade World, 5th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

NSDL will initially train four representatives free of cost. The company may send additional representatives for later training programs at a cost of Rs. 3,000/- per head. Study material and lunch will be provided by NSDL. The participants will have to make their own arrangements for travel and accommodation.

Kindly nominate your representatives who will attend the program. Also mention clearly the month of training preferred i.e. July or August. It is suggested that your representatives are personnel (from both operations & systems dept.) who will directly be associated with depository related operations. Kindly send in the confirmations for the training by 5th of August.

The detailed program schedule shall be provided to the attendees on reporting. The attendees will report to Mr. Bimal Giri at 10:00 a.m. In case you have any further clarifications, you may contact Mr. Bimal Giri at 022 - 4944714 or 022 - 4972964 (Ext.4610) or email at "nsdl@bom2.vsnl.net.in".

Thanking you,
Yours Sincerely,

**T Koshy**
**Vice President**

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Procedure: IID 010
Title: Memo to the Training Department informing them of Participants and Presenters

EXHIBIT II

5(c)

## TRAINING SCHEDULE

| Date | Session | Activity/Topic | Faculty | For whom |
|---|---|---|---|---|
| 24-Jul-97 | 10:00 a.m. | Welcome and Familiarisation | | Operations |
| | | Tea break | | |
| | I | Intro. to depositories -- Functions in a depository system | Mr. Amit Sinha | |
| | II | Functions at Share Registrar -- Demat & Remat | Mr. Sudhir Nair | |
| | III | IPOs & Corporate actions, backoffice operations | Mr. Neil | |
| | | Lunch break | | |
| | IV | Overview of Settlement Procedures | Mr. Sudhir Nair | |
| | V | Records, Reconciliation & Compliance | Mr Kapil Kapoor | |
| | | Tea break | | |
| | VI | Question & Answer Session | Mr. V. R. Narasimhan | |
| | | | | |
| 25-Jul-97 | 10:00 a.m. | Welcome and Familiarisation | Mr. Avinash Wagh | Systems |
| | | Tea break | | |
| | I | Connectivity | Mr. Anil | |
| | II | Installation Procedure | Mr. Parag | |
| | III | Back up/Recovery | Mr. Devendra | |
| | | Lunch break | | |
| | IV | Operations Profile | Mr. Sandeep | |
| | V | Security Administration | Ms. Madhavi | |
| | VI | Datablaster operations | Ms. Rita | |
| | | Tea break | | |
| | VII | Fault Logging and general procedures | Mr. Surendra | |
| | VIII | Question & Answer Session | Mr. A. Wagh, S. Shirahatti | |
| | | | | |
| 12-Jul-97 | 10:00 a.m. | Hands-on training | | Oper/Sys |

# APPENDIX E

## DRAFT OF PROCEDURE MANUAL

## ISSUER INTERFACE - OPERATIONS

# Issuer Interface Department - Operations

# Operating Procedures Manual

## National Securities Depository Ltd.

Manual prepared by:

Price Waterhouse LLP/USAID FIRE Project

Disclaimer: This publication has been prepared by Price Waterhouse LLP/FIRE Project sponsored by USAID, for private circulation. While utmost care has been taken in preparing this manual, we claim no responsibility for its completeness and accuracy.

Version: 1.0/Aug 1997

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| Monitoring Rematerialisation | OPS002 |
| Beneficial Owners Reporting to Issuers/R&T Agents | OPS003 |
| Position reconciliation with Issuer/R&T Agent | OPS004 |
| Processing Corporate Actions - Cash and Non-Cash Distributions | OPS005 |
| Processing Corporate Actions - Initial Public Offerings (IPO's) | OPS006 |
| Receiving Issuer notification of dematerialisation of shares | OPS007 |
| Monitoring Registrar connectivity to Depository | OPS008 |
| Providing historical beneficial owner information to the Issuer/R&T Agent | OPS009 |
| Processing Help Desk Calls | OPS010 |
| Grievance Processing | OPS011 |
| Issuing Circulars | OPS012 |

Identification Code: OPS001
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Monitoring of Dematerialisation of existing physical stock

PURPOSE: To convert an investor's physical certificates into electronic balances and receive credits into his account maintained with the participant in the NSDL System.

NOTE: The Issuer/R&T Agent is required to accept or reject a dematerialisation request within 15 working days from the date of receipt of physical certificates/the request.

BACKGROUND: An investor intending to dematerialise securities needs to have an account with a Participant. The client has to fill in a Dematerialisation Request Form (DRF), deface and surrender the certificates registered in his name to the Participant along with the DRF. After intimating NSDL electronically, the Participant punches two holes in the certificates and sends the certificates and DRF to the concerned Issuer/R&T Agent. NSDL in turn informs the Issuer/R&T Agent electronically about the request for dematerialisation. If the Issuer/R&T Agent finds the electronic request and the certificates in order, it registers NSDL as the holder of the securities and confirms to NSDL electronically. On receiving such confirmation, NSDL credits the relevant client account with the Participant.

PROCEDURE:

Officer

1. Checks the Orders Pending for Confirmation Report with a Share Registrar generated by the Depository Module daily.

NOTE: This report shows the status of orders pending with the number of elapsed days for a particular transaction for each Registrar and for each security. (Exhibit I)

2. Identifies transactions over 10 days old.

3. Expedites order confirmation by following up with the Issuer/R&T Agent to ensure that there is no undue delay.

4. Documents findings from steps 1, 2 and 3 on a spreadsheet in the Remarks column. (Exhibit II)



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5. Prints the spreadsheet daily and submits it to:
a. the HOD daily
b. the ED/MD weekly.

6. Writes a letter to the Issuer/R&T Agent if the order is pending for over 15 days, asking for a written reason. (Exhibit III)

7. Reads the Report on Orders Changed for the day and follows up rejected demat requests with the Issuer/R&T Agent. (Exhibit V)

8. Any peculiar problem encountered in this process is entered with full particulars in the register which is maintained for future reference.

9. Maintains file of reports and related documentation for future reference.

Procedure Number: OPS 001
Title: Orders Pending for Confirmation Report
EXHIBIT I

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPR0010

PAGE : 3
DATE : 25.07.1997
TIME : 19:37

ORDERS PENDING FOR CONFIRMATION WITH SHARE REGISTRAR AS OF 25.07.1997
SHARE REGISTRAR : IN.200'019 MCS
SECURITY : IN.E09'970'101'8 GRASIM EQUITY SHARES

DMAT CONFIRMATION DAYS : 15
RMAT CONFIRMATION DAYS : 30

| ORDER ISSUER | ORDER NUMBER | ORDR TYPE | TOTAL QUANTITY | CONFIRMED QUANTITY | BKED DATE | ELAPSED DAYS | LOCKED IN DATE | LOCKED IN REASON |
|---|---|---|---|---|---|---|---|---|

Procedure Number: OPS 001
Title: Spreadsheet Showing Status of Orders Pending for Demat/Remat

EXHIBIT II

**Statement of demat Pending for 10 or more days**
**AS ON_____1997**

| SHR | ISIN | DP | ORD-NO | QUANTITY | BKED DATE | DAYS ELAPSED | REMARKS |
|---|---|---|---|---|---|---|---|
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Procedure Number: OPS 001
Title: Letter to R & T Agent Asking for Reasons for Delay in Confirmation

EXHIBIT III

Ref No: NSDL /SG/II/___/97 _____1997

**Name of Company**
Address
Pin Code

**Kind Attn. Mr./Ms** _____

Dear Sir/Madam,

**Sub : Demat Request Pending for Confirmation**

From our records we gather that the following Demat Request(s) is/are pending for confirmation for more than 15 days.

| SECURITY | DP | ORDER NO | QUANTITY | ELAPSED DAYS |
|---|---|---|---|---|
| | | | | |
| | | | | |
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You are requested to inform NSDL about the reason for the delay.

Thanking you,

Yours faithfully,

**S. Gopalan**
**Asst. Vice President**

Procedure Number: OPS 001
Title: Rejected Orders for the Day Report
EXHIBIT V

NSDS PRODUCTION
REPORT-ID : RPCL015

PAGE : 3
DATE : 25.07.1997
TIME : 19:37

REPORT ON ORDERS CHANGED FOR THE DAY 25.07.1997 CLEARING DATE : 25.07.1997

ORDER ISSUER : IN.300'020 GLOBAL TRUST BANK LTD.

| ORDER NUMBER | ORDER TYPE | ISIN / SHARE REGISTRAR | ACCOUNT TYPE BOOKING DATE | QUANTITY/ LOCKED DATE/REASON | CONFIRMED QTY/ REJECTED QTY | DP REFERENCE NO/ BENEFICIARY A/C | STATUS |
|---|---|---|---|---|---|---|---|

Identification Code: OPS002
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Monitoring Rematerialisation

PURPOSE: To convert an investor's electronic holdings into physical certificates and issue fresh certificates to the shareholder.

NOTE: Section 14(3) of the Depositories Act requires that shares be rematerialised within 30 working days (time from when the R&T Agent receives the request to dispatching the share certificates).

BACKGROUND: The client has to submit the Rematerialisation Request Form (RRF) to the Participant with whom he has an account. The Participant enters the request in its system which debits the client's holdings to that extent automatically. The Participant releases the request to NSDL and sends the request form to the Issuer/R&T Agent. The Issuer/R&T Agent then prints the certificates, dispatches the same to the client and simultaneously electronically confirms the acceptance of the request to NSDL.

PROCEDURE:

Officer

1. Checks the Orders Pending for Confirmation Report with the Share Registrar generated by the Depository Module daily. (Exhibit I)

NOTE: This report shows the status of orders pending with the number of elapsed days for a particular transaction for each Registrar and for each security.

2. Identifies transactions over 25 days old depending on the number of shares involved as processing must be completed within 30 days.

3. Expedites remat order confirmation by following up with the Issuer/R&T Agent to ensure that there is no undue delay.

4. Documents findings from steps 1, 2 and 3 on a spreadsheet in the Remarks column. (Exhibit II)

5. Prints the spreadsheet daily and submits it to:
a. the HOD daily
b. the ED/MD weekly.



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6. Reads the Report on Orders Changed for the Day and follows up rejected remat requests with the Issuer/R&T Agent. (Exhibit III)

7. Maintains file of reports and related documentation for future reference.



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Procedure Number: OPS 002
Title: Orders Pending for Confirmation Report

EXHIBIT I

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPR0010

PAGE : 3
DATE : 25.07.1997
TIME : 19:37

ORDERS PENDING FOR CONFIRMATION WITH SHARE REGISTRAR AS OF 25.07.1997
SHARE REGISTRAR : IN.200'019 MCS
SECURITY : IN.E09'970'101'8 GRASIM EQUITY SHARES

DMAT CONFIRMATION DAYS : 15
RMAT CONFIRMATION DAYS : 30

| ORDER ISSUER | ORDER NUMBER | ORDR TYPE | TOTAL QUANTITY | CONFIRMED QUANTITY | BKED DATE | ELAPSED DAYS | LOCKED IN DATE | LOCKED IN REASON |
|---|---|---|---|---|---|---|---|---|

Procedure Number: OPS 002
Title: Spreadsheet Showing Status of Orders Pending for
- Demat/Remat

EXHIBIT II

**Statement of Remat Pending for 25 or more days**
**AS ON_____1997**

| SHR | ISIN | DP | ORD-NO | QUANTITY | BKED DATE | DAYS ELAPSED | REMARKS |
|---|---|---|---|---|---|---|---|
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Procedure Number: OPS 002
Title: Rejected Orders for the Day Report
EXHIBIT III

NSDS PRODUCTION
REPORT-ID : RPCL015

PAGE : 3
DATE : 25.07.1997
TIME : 19:37

REPORT ON ORDERS CHANGED FOR THE DAY 25.07.1997 CLEARING DATE : 25.07.1997

ORDER ISSUER : IN.300'020 GLOBAL TRUST BANK LTD.

| ORDER NUMBER | ORDER TYPE | ISIN / SHARE REGISTRAR | ACCOUNT TYPE BOOKING DATE | QUANTITY/ LOCKED DATE/REASON | CONFIRMED QTY/ REJECTED QTY | DP REFERENCE NO/ BENEFICIARY A/C | STATUS |
|---|---|---|---|---|---|---|---|

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Identification Code: OPS003
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Beneficial Owners Reporting to Issuers/R&T Agents

PURPOSE: To provide details of beneficial owners, currently on a fortnightly basis to the Issuer/R&T Agent.

To also provide the list of beneficial owners with complete details to the Issuer/R&T Agent as of record date. Adhoc downloads can be solicited by the Issuer/R&T Agent from his end. If notification is after record date, NSDL must trigger historical report. Refer to related procedure OPS009.

NOTE: For an adhoc beneficial ownership position request NSDL requires the Issuer/R&T Agent to solicit the same
a. for book closure, one day prior to the book closure date and
b. for record date, the same day as the record date.

BACKGROUND: NSDL reconciles positions with all Participants daily. In order for reconciliation to be complete, all Participants must be connected at the EOD processing on the Book Closure/Record Date. If they are not connected on the Book Closure/Record Date, the reconciliation is completed immediately after connectivity is established. Once the reconciliation is complete, beneficial owner information is sent to Issuer/R&T Agents. In case of reconciliation failure, manual updating is required. This same is done after ascertaining the reason for the reconciliation failure. Necessary authorisation from HODs is obtained.

PROCEDURE:

Officer

1. Triggers a beneficial owners download (currently once every fortnight on alternate Wednesdays) at the EOD by setting the "benpos" for each ISIN manually giving a record date using screen CBN1 in the Depository Module. (Exhibit I)

NOTE: The beneficial owners download shows the ISIN, Client ID, Beneficial Owner Name, Beneficial Owner Holdings, Beneficial Owner Address, Lock in details, Amount paid up on security and Effective date of holdings. (Exhibit II of file format)



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2. Checks the Internal and External Reconciliation Mismatches Report daily. (Exhibit III)

3. Liaises with the DP Interface Dept. if any mismatches occur on the report to ensure that the differences are resolved and the reconciliation is a complete success.

NOTE: The differences are mainly due to non-connectivity, and are generally resolved the next day.

4. Checks the Reconciliation Details screen CRN1 to check the status of the reconciliation and benpos. (Exhibit IV)

5. Liaises with DP Interface Dept. to ensure that all positions in the pool or transit accounts are nullified and transferred to the respective client accounts prior to the download solicited by the Issuer/R&T Agent.

NOTE: This is done by phoning the respective Participant.

6. Checks Custody Position Statement per Security. (Exhibit V)

7. Liaises with DP and DP Interface Department to post the quantity in the pool accounts to the respective client accounts.

8. Documents the findings.

9. Reports to Management

10. Maintains file of reports and related documentation for future reference.



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Procedure Number: OPS 003
Title: Screen to set "Benpos" for each ISIN
EXHIBIT I

```
CBN11E     CBN1          BENEFICAIRY POSITION DETAILS          29.07.1997 11:56
INQUIRE                  MAINTAIN PERIODIC INSTRUCTIONS        P  05C1     X002
-----------------------------------------------------------------------------
REFERENCE NO . . . . . . .________ +

ISIN . . . . . . . . . . .________________ +

PERIODICITY. . . . . . . .__ +

SCHEDULE . . . . . . . . .___ +

INSTRUCTION START DATE . .___________

EVENT DESCRIPTION  . . . ._____________________________________
                          _____________________________________
                          _____________________________________
                          _____________________________________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

```
CBN21E     CBN2          BENEFICIARY POSITION DETAILS          29.07.1997 11:58
INQUIRE                  MAINTAIN ADHOC INSTRUCTION            P  05C1     X002
-----------------------------------------------------------------------------
REQUEST NO . . . . . . . .________ +

ISIN . . . . . . . . . . .________________ +

RECORD DATE. . . . . . . .___________

DEADLINE DATE. . . . . . .___________

REPORT INDICATOR . . . . .__  (F --> FULL, I --> INCREMENTAL)

REQUEST STATUS . . . . . :

EVENT DESCRIPTION. . . . ._____________________________________
                          _____________________________________
                          _____________________________________
                          _____________________________________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

BEST AVAILABLE COPY

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# Procedure Number: OPS 003
# Title: Beneficial Owner's Report (File Format)
# EXHIBIT II(a)

File Format for SHRE002.dat
Error Log file for SHRE002.dat will be **SHRE002.err**

Data Format: ASCII
Export From: DP-SHR System
Export To:Share Registrar Back-office

Date is in YYYYMMDD format and time is in HHMMSS format, unless otherwise mentioned
Date and time field will be spaces, if not applicable
Status M - Mandatory , O - Optional

| Sr No | Field Desc | Field Type | Size | Status | Domain | Remarks | |
|---|---|---|---|---|---|---|---|
| ***Header Record*** | | | | | | | |
| 1 | Record Type | Char | 2 | M | 01 | 01 indicates header record | |
| 3 | ISIN | Char | 12 | M | | | 14 |
| 4 | **Record Date** | Date | **8** | **M** | | | 22 |
| 5 | **Statement Preparation Date** | Date | **8** | **M** | | system date | 30 |
| 6 | **Statement Preparation Time** | Time | **6** | **M** | | system time | 36 |
| 7 | Total NSDL Position | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 51 |
| 8 | Total transit positions | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 66 |
| 9 | Total Suspense Positions | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 81 |
| 10 | Total Free Position | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 96 |
| 11 | Total Lockin Position | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 111 |
| 12 | Total Blocked (Frozen) Positions | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 126 |
| 13 | Total Number of Detail Records | Interger | 7 | M | | | 133 |
| 14 | **Filler** | **Char** | **19** | **O** | | | 152 |
| | | total | **152** | | | | |
| ***Detail Record*** | | | | | | | |
| 1 | Record Type | Char | 2 | M | 02 | 02 indicates detail record | 2 |
| 2 | Line Number | Interger | 7 | M | | Start with 1 | 9 |
| 3 | DP Id | Char | 8 | M | | | 17 |
| 4 | Beneficiary Account Number | Interger | 8 | M | | | 25 |
| 5 | Beneficiary Type | Interger | 2 | M | | Values described below | 27 |
| 6 | Beneficiary sub type | Integer | 2 | O | | Values described below | 29 |
| 7 | Beneficiary Account Category | Integer | 2 | O | | | 31 |
| 8 | Beneficiary Occupation | Integer | 2 | O | | | 33 |
| 9 | First Holder's Name | Char | 135 | M | | | 168 |
| 10 | First Holder's Father/Husband name | Char | 45 | O | | | 213 |
| 11 | Beneficiary Address Part 1 | Char | 36 | O | | | 249 |
| 12 | Beneficiary Address Part 2 | Char | 36 | O | | | 285 |
| 13 | Beneficiary Address Part 3 | Char | 36 | O | | | 321 |
| 14 | Beneficiary Address Part 4 | Char | 36 | O | | | 357 |
| 15 | Beneficiary Address Pincode | Char | 7 | O | | | 364 |
| 16 | Beneficiary Phone Number | Char | 24 | O | | | 388 |
| 17 | Beneficiary Fax Number | Char | 24 | O | | | 412 |
| 18 | Second Holder's Name | Char | 45 | O | | | 457 |
| 19 | Second Holder's Father/Husband name | Char | 45 | O | | | 502 |
| 20 | Third Holder's Name | Char | 45 | O | | | 547 |
| 21 | Third Holder's Father/Husband name | Char | 45 | O | | | 592 |
| 22 | Authorised Signatories | Char | 70 | O | | | 662 |
| 23 | First holder's Income Tax PAN | Char | 30 | O | | | 692 |
| 24 | Second holder's Income Tax PAN | Char | 30 | O | | | 722 |
| 25 | Third holder's Income Tax PAN | Char | 30 | O | | | 752 |
| 26 | Nominee Guardian Indicator | Char | 1 | M | G-Guardian,N-Nominee | | 753 |
| 27 | Nominee Guardian Name | Char | 45 | O | | | 798 |
| 28 | Nominee Guardian Address Part 1 | Char | 36 | O | | | 834 |

Procedure Number: OPS 003
Title: Beneficial Owner's Report (File Format)
EXHIBIT II(b)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 29 | Nominee/Guardian Address Part 2 | Char | 36 | O | | | 870 |
| 30 | Nominee/Guardian Address Part 3 | Char | 36 | O | | | 906 |
| 31 | Nominee/Guardian Address Part 4 | Char | 36 | O | | | 942 |
| 32 | Nominee/Guardian Address Pincode | Char | 7 | O | | | 949 |
| 33 | Date of Birth in case of minor | Date | 8 | O | | | 957 |
| 34 | Beneficiary Bank Account Number | Char | 15 | O | | | 972 |
| 35 | Bank Name and Branch | Char | 135 | O | | | 1107 |
| 36 | Bank Address Part 1 | Char | 36 | O | | | 1143 |
| 37 | Bank Address Part 2 | Char | 36 | O | | | 117[illegible] |
| 38 | Bank Address Part 3 | Char | 36 | O | | | 1215 |
| 39 | Bank Address Part 4 | Char | 36 | O | | | 1251 |
| 40 | Bank Address Pincode | Char | 7 | O | | | 1258 |
| 41 | RBI Ref Number (In case of NRI) | Char | 50 | O | | | 130[illegible] |
| 42 | RBI Approval Date (In case of NRI) | Date | 8 | O | | | 131[illegible] |
| 43 | SEBI Registration Number | Char | 24 | O | | | 134[illegible] |
| 44 | Beneficiary Tax Deduction Status | Char | 20 | O | | | 136[illegible] |
| 45 | Beneficiary Status | Integer | 2 | M | | | 136[illegible] |
| 46 | Beneficiary Position | Decimal | 15 | M | | 12+3 (Without Decimal Point) | 137[illegible] |
| 47 | Block/Lock Flag | Char | 1 | M | | B-Block, L-Lock, F-Free | 137[illegible] |
| 48 | Lockin Reason Code | Integer | 2 | O | | 00 in case of free position | 138[illegible] |
| 49 | Lockin Release Date | Date | 8 | O | | | 138[illegible] |
| 50 | Filler | Char | 28 | O | | | 141[illegible] |
| | | total | 1416 | | | | |

*Note*

1 Numeric values are represented with preceeding zeroes
e.g. 2300.50 will be represented as 000000002300500 in decimal format
(without decimal point) having format 12+3

2 In case of numeric values, zeroes are equivalent to null values/ not available

3 Valid values of Lockin reasons are as follows:
0 None
1 Employee Quota
2 Director/Relative Quota
3 Preferential Quota
4 Promoters Quota
5 Underwriters Quota

4 Valid values of Occupation are as follows
0 None/Not available
1 Service
2 Student
3 Housewife
4 Landlord
5 Business
6 Professional
7 Agriculture
99 Others

5 Values of Client Type & Sub Types are as

| Type | Sub Type | Description |
|---|---|---|
| 0 | 0 | None/Not available |
| 1 | 1 | Individual-Ordinary |
| | 2 | Individual-Director and Relatives |
| 2 | 1 | FI-Govt Sponsered FI |
| | 2 | FI-SFC |

21

Procedure Number: OPS 003
Title: Internal Reconciliation Mismatches Report
EXHIBIT III (a)

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPCR021L

PAGE : 1
DATE : 30.07.1997
TIME : 20:00

INTERNAL RECONCILIATION MISMATCHES REPORT AS OF

ISIN

| LOCK IN DATE | LOCK IN REASON | NOSTRO ACCOUNT TYPE | NOSTRO POSITION | VOSTRO POSITION |
|---|---|---|---|---|
| | NO MISMATCHES FOUND | | | |

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Procedure Number: OPS 003
Title: External Reconciliation Mismatches Report
EXHIBIT III (b)

NSDL- NATIONAL SECURITIES DEPOSITORY LIMITED

NSDS PRODUCTION
REPORT-ID : RPCR011L
EXTERNAL RECONCILIATION MISMATCHES REPORT

PAGE : 1
DATE : 30.07.1997
TIME : 19:59

STATEMENT DATE . .

DP ID

ISIN

| | MARKET-TYPE-POSITIONS | | |
|---|---|---|---|
| CM-TYPE | ACCOUNT-TYPE | NSDL-ACCT-POSITION | DPM-ACCT-POSITION |
| NO MISMATCHES FOUND | | | |

AB

Procedure Number: OPS 003
Title: Reconciliation Details

EXHIBIT IV

```
RN11E    CRN1          BENEFICIARY ACCOUNT DETAILS          08.08.1997 14:36
QUIRE                    RECONCILIATION DETAILS-I           P  05C0     X002
-------------------------------------------------------------------------------
                                                                    MORE : +
ELECT ONE OF THE FOLLOWING
EXTERNAL RECONCILIATION :          BENPOS UPLOAD :
. UPDATE RECO STATUS               2. UPDATE RECO STATUS
. VIEW RECO FAILURES               6. VIEW RECO FAILURES
. VIEW DEFAULTERS                  7. VIEW DEFAULTERS
. VIEW ALL CASES                   8. VIEW ALL CASES              )

EL   RECON DATE     RECONCILIATION STATUS       BENPOS STATUS
     07.08.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL
     05.08.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL
     04.08.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL
     02.08.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL
     01.08.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL
     31.07.1997     CMPLT RECON SUCCESS         CMPLT RECON SUCCESS
     30.07.1997     CMPLT RECON SUCCESS         CMPLT RECON SUCCESS
     29.07.1997     INCMPLT RECON FAIL          INCMPLT RECON FAIL

MMAND ===>_____________________________________________________________
=HELP   F2=PFSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

Procedure Number: OPS 003
Title: Custody Position Statement for Security
EXHIBIT V

REPORT-ID : RPKC014

DATE : 25.07.1997
TIME : 19:37

CUSTODY POSITION STATEMENT PER SECURITY

POSITIONS AS OF 25.07.1997

SECURITY : IN.E14'440'101'0 JINDAL PHOTO EQUITY SHARES

| PARTICIPANT | ACCOUNT TYPE | LAST BKDT | UNLOCKED POSITIONS | LOCKED-IN POSITIONS |
|---|---|---|---|---|
| IN.200'019 MCS | 50 SHARE REG. CTRL ACCOUNT | 19.07.1997 | [illegible] | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| IN.300'011 STOCK HLDG CORP OF I LT | 11 DP CLIENT ACCOUNT | 03.07.1997 | | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| IN.300'046 IIT CORP SERVICES LTD | 11 DP CLIENT ACCOUNT | 07.06.1997 | | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| IN.300'118 ALANKI ASSIGNMENTS LTD | 10 DP HOUSE ACCOUNT | 03.05.1997 | | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| IN.300'206 ABHIPRA CAPITAL LIMITED | 11 DP CLIENT ACCOUNT | 19.07.1997 | | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| IN.300'239 GEOJIT SECURITIES LTD. | 11 DP CLIENT ACCOUNT | 26.06.1997 | | |
| | TOTAL POSITION FOR PARTICIPANT | | | |
| TOTAL CONFIRMED VOSTRO POSITION FOR SECURITY | | | | |
| TOTAL SUSPENSE VOSTRO POSITION FOR SECURITY | | | | |
| TOTAL VOSTRO POSITION FOR SECURITY | | | | |
| TOTAL CONFIRMED NOSTRO POSITION FOR SECURITY | | | | |
| TOTAL SUSPENSE NOSTRO POSITION FOR SECURITY | | | | |
| TOTAL NOSTRO POSITION FOR SECURITY | | | | |

Identification Code: OPS004
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Position reconciliation with Issuer/R&T Agent

PURPOSE: To reconcile the daily positions with Issuer/R&T Agent and resolve differences in beneficial owner control totals.

PROCEDURE:

Officer

1. Phones each Issuer/R&T Agent periodically to check if the NSDL Control totals match with the Issuer/R&T Agent's NSDL Account.

2. Ensures that differences in beneficial owner control totals identified through the phone calls are resolved the next day as these are mainly technical mismatches due to snags in communication.

3. Follows up with Issuer/R&T Agent if mismatches are not resolved the next day and reports to Management.

4. Maintains file of reports and related documentation for future reference.

Identification Code: OPS005
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Corporate Actions - Cash Distributions and Non-Cash Allotments

PURPOSE: To enable payment of cash distributions and non-cash allotments to beneficial owners of securities held in the Depository.

BACKGROUND: Corporate actions are benefits given by a company to its share-holders. The benefits arising to the investors out of the corporate actions may be either cash (dividend, interest etc.) or non-cash (rights, bonus, conversions etc.). NSDL facilitates implementing corporate actions for electronic securities. The Issuer announces a record date or book closure period for the corporate actions.

In case of cash corporate benefits, NSDL gives the beneficiary ownership details to the Issuer/R&T Agent to enable the Issuer/R&T Agent to calculate the benefits arising out of the beneficial owner's holdings. The Registrar updates all the accounts as of the record date/ book closure date and then calculates the entitlements due to each account. The Issuer/R&T Agent will carry out the necessary processing and the distribution of these benefits will be outside the system.

In case of non-cash corporate benefits, NSDL will give the beneficiary ownership details to the Issuer/R&T Agent after reconciliation. The Issuer/R&T Agent will carry out the necessary processing and upload the beneficiary ownership to NSDL. Validations are performed by NSDL and invalid records are rejected. Rejections can be corrected and uploaded within 7 business days of the execution date. NSDL does a "Verify/Release" before the execution date. At the BOD of the execution day, credits flow into beneficiary accounts.

PROCEDURE:

Officer

1. Identifies distributions and allotments of securities which have joined the Depository through:

   a. Notification received directly from Issuer/R&T Agent. (Exhibit I)



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NOTE: Under NSDL rules, the Issuer/R&T Agent is required to send this notification one business day after notifying the Exchange. (i.e. at least 41 days in advance of the book closure/record date)

b. Monitors newspapers for a published announcement (Exhibit II).

2. Contacts Issuer/R&T Agent to confirm related book dates published in the newspaper.

a. Book Closure Date
b. Record Date

3. Notifies Participant Interface Department of announcement. (Exhibit III)

NOTE: Participant Interface Department obtains the "no delivery period" from the Exchange. A circular containing all pertinent information is then distributed to all Business Partners by Participant Interface Department. (Exhibit IV)

4. Requests a download of beneficiary information on behalf of the Issuer/R&T Agent if necessary. Refer to related procedure OPS003.

NOTE: Issuers/R&T Agents should be able to perform this step via their DPM/SHR terminal. However if there is a connectivity or timing problem, NSDL may trigger the download.

5. Monitors automated reconciliation of positions downloaded to Issuer/R&T Agent. Refer to related procedure OPS004.

6. Maintains file of all pertinent documents by book closure/record date for future reference.



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Procedure Number: OPS 005
Title: Notification from Issuer/R&T Agent of Book Closure/Record Date

EXHIBIT I



Hindustan Inks & Resins Limited

*Regd. Office : 2803/2, Third Phase, GIDC, Vapi 396 195 (Gujarat) India*
*Tel. 02638-30782, 30786, 30787. Fax: 02638-30781, 30788*

**HIRL/VPI/97**
**27th July, 1997**

**National Securities Depository Ltd**
**Trade World, 4th Floor,**
**Kamla Mills Compound**
**Senapati Bapat Marg**
**Lower Parel**
**MUMBAI - 400 013**

**ISIN "INE169301012"**

**Dear Sir,**

**ADVANCE NOTICE REGARDING CLOSURE OF REGISTER OF MEMBERS**

**This is to notify in advance that the Register of Members of the Company will be closed from 16-9-97 to 27-9-97 (both days inclusive) in connection with the Annual General Meeting of the Company to be held on 27-9-97 for the purpose of payment of dividend for the Financial year ended 31st March, 1997, if sanctioned by Members at the Sixth Annual General Meeting.**

**Thanking you,**

**Yours faithfully,**
**for HINDUSTAN INKS AND RESINS LTD**

**AUTHORISED SIGNATORY**

*Bombay Office : 118, Apollo Estate, Mogra lane, Andheri (East) Bombay-400 069*
*Tel. 022-8361463, 8322978, 8379841. Fax: 022-8379660*

Procedure Number: OPS 005
Title: Published Announcement of Corporate Action
EXHIBIT II

The Economic Times

## BOOK CLOSURES / RECORD DATES

| Company | B.C<br>R.D | Book-Closure<br>Record-Date | Purpose |
|---|---|---|---|
| ditya Poly. | BC | 17/09 to 27/09 | AGM |
| Alfa Transfo | BC | 16/09 to 22/09 | AGM |
| lps Commerc | BC | 22/09 to 26/09 | 6% Dividend |
| nkush Syn. | BC | 22/09 to 30/09 | AGM |
| Apple Amusem | BC | 22/09 to 25/09 | AGM |
| ppo Ind.Ltd | BC | 23/09 to 30/09 | AGM |
| Apta Amal. | BC | 23/09 to 30/09 | Nil Dividend |
| rihant St. | BC | 20/09 to 30/09 | AGM |
| Ashapura Ltd | BC | 08/09 to 18/09 | 25% Dividend |
| Asianlak Cap | BC | 18/09 to 24/09 | AGM |
| BL Chip Tex | BC | 06/09 to 12/09 | 7.5% Dividend |
| BM L Limited | BC | 16/09 to 25/09 | Nil Dividend |
| Baid Leasing | BC | 20/09 to 27/09 | AGM |
| Bemco Hydraulic | BC | 15/09 to 25/09 | Nil Dividend |
| ervin Inv. | BC | 20/09 to 29/09 | AGM & Dividend |
| Bhilwara Tex | BC | 17/09 to 20/09 | AGM |
| irmingham T | BC | 19/09 to 28/09 | AGM |
| erosil Glass | RD | 24/09 | 14% Int. on PCDs |
| Capital Trus | BC | 15/09 to 19/09 | AGM |
| entral Rly | BC | 19/09 to 26/09 | AGM |
| hetak Spin. | BC | 16/09 to 28/09 | AGM |
| Chokhani Bus | BC | 23/09 to 29/09 | AGM |
| lassic Hsg. | BC | 16/09 to 29/09 | AGM |
| ompetent Au | BC | 23/09 to 30/09 | 10% Dividend |
| rystal Cred | BC | 15/09 to 25/09 | 18% Dividend |
| Damodar Thr. | BC | 23/09 to 30/09 | AGM |

(Continued on page 18)

BEST AVAILABLE COPY

Procedure Number: OPS 005
Title: Memo to PHD Informing them of Book Closure/Record Date
EXHIBIT III

Specimen

## Interoffice Memo

**Date** : _____1997

**To :** Mr. Jayesh Sule

**From :** S Gopalan

---

This is to inform you that the Book Closure Dates for the following Companies have been announced :

| Sr. No. | Name of the Company | Book Closure Dates | Purpose of Book Closure |
|---|---|---|---|
| 1 | | | |
| 2 | | | |

This is for your information and necessary action .

**AVP ( SG )**

Procedure Number: OPS 005
Title: Circular of Corporate Action Distributed to Business Partners

# EXHIBIT IV

**NATIONAL SECURITIES DEPOSITORY LIMITED**

**Participant Interface**

**Circular**

Circular No . NSDL/PI/120
Date : July 25, 1997

All Participants are hereby informed that The Indian Hotels Company Limited has informed the Depository about the book closure for the payment of dividend.

The details of the corporate action are as follows :

| | |
|---|---|
| Name of the issuer | : The Indian Hotels Company Limited |
| Type of security | : Equity |
| ISIN | : INE163401016 |
| Purpose | : Payment of dividend |
| Book Closure Period | : July 29, 1997 to August 05, 1997 (both days inclusive) |
| No-delivery period | : From settlement nos. 1997033 to 1997039 = July 16, 1997 to July 25, 1997 ( as per NSCCL for BE segment ) |

All Participants are advised to ensure that :

1. All changes such as tax status, bank details, change of address, etc. in the beneficial owners accounts are updated well in advance of the book closure.

2. All balances in the CM accounts of Indian Hotels Equity are moved out well in advance of the book closure and no balances should remain in the CM accounts for this security on July 28, 1997.

3. No transfers to the CM accounts for settlement nos. from 1997033 to 1997040 should be done till the EOD of July 28, 1997.

4. In view of no-delivery for settlement nos. from 1997033 to 1997039, kindly note to specify the settlement number as 1997040 in the DPM system while transferring balances from beneficial owners accounts to CM accounts.

All Participants are instructed to ensure that they remain connected till the EOD of July 28, 1997 is complete.

For and on behalf of
**National Securities Depository Limited**

**Jayesh Sule**
**Asst Vice President**

Identification Code: OPS006
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Corporate Actions - Public Offerings

PURPOSE: To facilitate the distribution of Public Offerings (POs)through the Depository.

BACKGROUND: While filling the PO application form, the individual investor can opt to receive the securities in electronic form. To exercise this option, the investor needs to have an account with a depository participant. The related depository participant ID and Client account number is entered on the application form.

The Issuer/R&T Agent notifies NSDL of PO allotment to be credited to beneficiary accounts by way of a file upload to NSDL. This upload includes all necessary information about participant accounts, individual investor details, execution date, quantity allotted, lock in details. Validations are performed by NSDL and invalid records are rejected. Rejections can be corrected and uploaded within 7 business days of the execution date.

The NSDL System then automatically allocates the distribution and credits the DP entitlement accounts on the execution date.

PROCEDURE:

Officer

1. Receives notification from Issuer/R&T Agent of PO to be processed through the Depository based on investor application.

2. Ensures transmission of beneficial owner data from the Depository are completed correctly and on a timely basis to the Issuer/R&T Agent.

3. Assists Issuer/R&T Agent in resolving any differences determined through reconciliation of beneficial owners in relation to PO applications.

4. Maintains file of pertinent documents for future reference.



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Identification Code: OPS007
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Receiving Issuer notification of dematerialisation of shares

PURPOSE: To monitor the Issuer/R&T Agent's sending of the Certificate regarding dematerialisation of securities to the Stock Exchanges and NSDL.

PROCEDURE:

Officer

1. Receives information from the Issuer/R&T Agent of shares dematerialised during a given month by the 7th calendar day of the next month. (Exhibit I)

2. Follows up with Issuer/R&T Agents who do not send the report in time.

3. Escalates to Management where determination is made that R&T Agent is not complying with NSDL rules.

4. Maintains file of reports and related documentation for future reference.

Procedure Number: OPS 007
Title: Report from Issuer/R&T Agent of Shares Dematerialised
EXHIBIT I

To ,

Stock Exchange/ NSDL

Dear Sir/ Madam,

**Sub : Regulation 54(5) of SEBI (Depositories and Participants) Regulations 1996**

As stipulated in the above Regulation, we are furnishing below details of securities of _____ (Name of Company) dematerialised .

| Period for which Certificate issued | From | To |
|---|---|---|
| | | |

| Distinctive No.(s) of Securities Dematerialised | Certificate No.(s) of Securities Dematerialised | No. of Securities Dematerialised |
|---|---|---|
| | | |
| | | |

We certify that as on _____ (date) _____ (Total No.) Securities has/have been Dematerialised and is/are standing in the name of NSDL.

(For Certificate issued to NSDL)
We further certify that necessary certificates to the concerned Stock Exchanges giving above information has/have been sent.

_____
Signature of Official
Issuing Certificate

_____
Place & Date of Issue of Certificate

_____
Name & Designation of
Official Issuing Certificate

Identification Code: OPS008
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Monitoring Registrar connectivity to Depository

PURPOSE: To check whether Issuers/R&T Agents are connected to the NSDL system at least once a day.

NOTE: When the Issuer/R&T Agent logs into the NSDL system, the reports pending in the queue from the previous EOD and from the current BOD are downloaded to their system.

PROCEDURE:

Officer

1. Logs into the Depository Module (DM) once a day and checks active and inactive Issuers/R&T Agents connections, and their last log on date and time. (Exhibit I)

2. Phones the Issuers/R&T Agents who have not connected to the system to check the reason.

3. Follows up with the Help Desk to resolve the problem as soon as possible.

4. Ensures that the Issuer/R&T Agent connects as soon as the problem is resolved.

Procedure Number: OPS 008
Title: Registrar Connectivity to Depository
EXHIBIT I

```
IC021E    IC02          NETWORK SUPPORT FUNCTIONS          29.07.1997 11:59
INQUIRE                 LIST OF ACTIVE CONNECTIONS         P  05C1     X002
-----------------------------------------------------------------------------
TOTAL ACTIVE CONNECTIONS:  0002

SELECT TO SEE MORE DETAILS OF THE CONNECTION

SEL BP ID  AND STATUS/      LUD  NETWORK  NETWORK        LOG-ON  CONNECTION
    SHORT NAME              ID   NAME     ADDRESS        TIME    STATE
    IN.300'003  A           L002 VSAT     195.1.1.243    10:07   CONNECTED
    TEST DP-1
    IN.100'001  A           L004 VSAT     195.1.1.4      10:10   CONNECTED
    TEST CC

IC031E    IC03          NETWORK SUPPORT FUNCTIONS          29.07.1997 11:59
INQUIRE                 LIST OF INACTIVE CONNECTIONS       P  05C1     X002
-----------------------------------------------------------------------------
TOTAL INACTIVE CONNECTIONS . :  0060                                MORE : +

SELECT TO SEE LIST OF ADDRESSES FOR LUD

SEL BP ID  AND STATUS/      LUD  NETWORK  NETWORK        LAST LOG-ON
    SHORT NAME              ID   NAME     ADDRESS        DATE  AND  TIME
    IN.300'011  A           L003 VSAT     195.1.39.2     27.02.1997 16:05
    TEST DP-2
    IN.200'002  A           L005 VSAT     195.1.1.148    26.07.1997 11:24
    TEST SR
    IN.300'020  A           L006 VSAT     1.1.1.1        12.02.1997 17:54
    COIMBATORE STK BRK.
    IN.300'038  A           L007 VSAT     195.1.36.2
    BLK FINANCIAL SERV LTD
    IN.300'054  A           L008 VSAT     1.1.1.1        14.02.1997 15:55
    ABHIPRA CAPITAL
    IN.200'019  T           L009 VSAT     195.1.41.2     04.03.1997 16:02
    INDO GULF

COMMAND ===>_____________
F1=HELP   F2=FSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

Identification Code: OPS009
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Providing historical beneficial owner information to the Issuer/R&T Agent

PURPOSE: To make a backdated request for a beneficial owners report. This cannot be triggered by an Issuer/R&T Agent from their end because it is past the cut-off date.

PROCEDURE:

Officer

1. Receives a request from an Issuer/R&T Agent for a backdated beneficial owners report.

2. Triggers the beneficial ownership download by entering the backdated "benpos" date in DM. (Exhibit I)

NOTE: This is done by entering the record date and deadline date. The deadline date should be 4-5 days after the current date.

NOTE: At the EOD, the report is downloaded to the Issuer/R&T Agent.

3. Checks that the records request is logged in the System the next day by checking Screen CBN4. (Exhibit II)

NOTE: The screen shows the request number, status, date and whether NSDL or the R&T Agent requested the download.



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Procedure Number: OPS 009
Title: Screen to set "Benpos" for each ISIN
EXHIBIT I

```
CBN11E     CBN1          BENEFICAIRY POSITION DETAILS          29.07.1997 11:56
INQUIRE                 MAINTAIN PERIODIC INSTRUCTIONS         P  05C1     X002
-----------------------------------------------------------------------------
REFERENCE NO . . . . . . . .________ +

ISIN . . . . . . . . . . . .________________ +

PERIODICITY. . . . . . . . .__ +

SCHEDULE . . . . . . . . . .___ +

INSTRUCTION START DATE . .___________

EVENT DESCRIPTION  . . . .____________________________________________
                          ____________________________________________
                          ____________________________________________
                          ____________________________________________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL

CBN21E     CBN2          BENEFICIARY POSITION DETAILS          29.07.1997 11:58
INQUIRE                  MAINTAIN ADHOC INSTRUCTION            P  05C1     X002
-----------------------------------------------------------------------------
REQUEST NO . . . . . . . . .________ +

ISIN . . . . . . . . . . . .________________ +

RECORD DATE. . . . . . . . .___________

DEADLINE DATE. . . . . . . .___________

REPORT INDICATOR . . . . . .__ (F --> FULL, I --> INCREMENTAL)

REQUEST STATUS . . . . . . :

EVENT DESCRIPTION. . . . . .____________________________________________
                            ____________________________________________
                            ____________________________________________
                            ____________________________________________

COMMAND ===>_____________________________________________________________
F1=HELP   F2=FSHOW   F3=EXIT   F12=CANCEL   F13=ADD   F14=MOD   F17=DEL
```

Procedure Number: OPS 009
Title: Audit Trail Showing Backdated Requests for Beneficial Owner's Report

EXHIBIT II

```
CBN41E    CBN4          BENEFICIARY POSITION DETAILS          08.08.1997 14:36
INQUIRE                      REQUEST DETAILS                 P  05C0     X002
-------------------------------------------------------------------------------
                                                                   MORE : +
RECORD DATE RANGE. . . . . 01.07.1997   TO   08.08.1997
REQUEST NO . . . . . . . . .________  +
RELEASE STATUS . . . . . . 3   (3. NOT SENT; 4. SENT )


    REQUEST-NO        RELEASE STAT        REQUESTED-BY          RECORD DATE
    ISIN              REQST. STAT         BP-DESCRIPTION
    1996045           TO BE SENT TO SR    IN.200'002            10.07.1997
    IN.E11'870'101'5  RECEIVED FROM SR    TEST SR
    1996046           TO BE SENT TO SR    IN.400'045            30.07.1997
    IN.E45'667'812'2  RECEIVED FROM SR    TRAINNING SR2
    1996047           TO BE SENT TO SR    IN.200'002            30.07.1997
    IN.E11'870'101'5  RECEIVED FROM SR    TEST SR
    1996048           TO BE SENT TO SR    IN.000'018            30.07.1997
    IN.E33'781'101'7  RECEIVED FROM SR    NSDL

COMMAND ===>_____________________________________________________________
F1=HELP   F2=PFSHOW   F3=EXIT   F7=BKWD   F8=FWD   F12=CANCEL
```

Identification Code: OPS010
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Processing Help Desk Calls

PURPOSE: To resolve problems experienced by all business partners relating to the Systems aspect or Operational aspect.

NOTE: A centralised Help Desk runs in two shifts from 8.30 a.m. to 9.30 p.m. Officers from each department are assigned to the Help Desk in rotation.

PROCEDURE:

Help Desk Officer

1. Receives telephone call from Business Partner giving details of the problem.

2. Notes down the details in the help desk log.

3. Tries to resolve the problem on-line.

4. Refers the problem to the respective department if it cannot be resolved by him.

NOTE: If necessary, the Systems Dept. can remotely log into the Issuer/R&T Agent's system (after obtaining the necessary approvals) and try to resolve the problem.

5. Maintains a register showing the date, token number, time, DP/SHR (software), name of company and name of person calling, description, problem/inquiry. status and solution, NSDL Officer attending the call. (Exhibit I)

Manager

6. Uses the help desk log to create management reports which are discussed at the weekly meeting with the MD.

NOTE: In the near future, the above Help Desk will be used for Systems Problems only. Another help desk will be set up within the Department for Operational problems encountered by Issuer/R&T Agents. Issuers/R&T Agents will be informed of the number to call for Operational problems. This will ensure better service. A register will be maintained. Based on queries received, a trouble shooting



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manual will been prepared which will list solutions to the most commonly reported queries and problems.



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Daily Systems and Operations report from Help Desk

Date :

Procedure Number: OPS 010
Title: Helpdesk Register

EXHIBIT I

| No | BP Name | TOKEN NO | BP Type | Sys/Ops | Category | Description | Cause | Action Taken | Status | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| 11 | ICMS | 1982 | DP | N/W | PROBLEM | THEY SEND DMAT REQUEST BUT THEY DID NOT GET MESSAGE ACCEPTED BY NSDL | LINK IS NOT UP | AFTER LINK WAS UP THEY GOT MESSAGE ACCEPTED BY NSDL | Resolved | |
| 8 | HONGKONG BANK | 1985 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | Resolved | |
| 7 | GTB | 1984 | DP | SYS | PROBLEM | WHILE TAKING BACK UP SERVER GET HANG | | TOLD THEM TO RESTART THE SERVER | Resolved | |
| 6 | HDFC | 1981 | SHR | N/W | PROBLEM | NOT GETTING BOD | LINK IS NOT UP | TOLD THEM TO WAIT FOR SOME TIME | Resolved | |
| 5 | I SERVE | 1976 | SHR | SYS | PROBLEM | TIME MISMATCH ERROR | | TOLD THE CORRECT TIME | Resolved | |
| 4 | GTB | 1975 | DP | OPS | PROBLEM | WANT TO KNOW WHY INTRA TRANSFER DID NOT GET PROCESSED | NOT STARTED RECEIVE PROCESS | TOLD THEM TO START RECIVE EXE | Resolved | |
| 3 | SHAH INVESTOR | 1974 | DP/T | SYS | PROBLEM | RECIVE FAILED WITH ERROR 50106 | TWO 920 MESSAGES FOR 22/07/97 | UPDATE THE STATUS OF ROW SUB MSG TYPE 920 TO 99 | Resolved | |
| 2 | TSRL | 1973 | SHR/T | SYS | PROBLEM | DAT SEND TO THEM IS NOT WORKING | | INFORMED THEM TO SEND NSDL DAT AND THERE DAT AND THEN WE GIVEN NEW DAT TO THEM | Resolved | |
| 1 | ACTION FINANCE | 1972 | DP | OPS | PROBLEM | TRANSMIT FAILED WITH ERROR NO 90017 | | UPDATE RBI TABLE | Resolved | |
| 10 | COIMBATORE | 1987 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | | |
| 9 | IIT | 1986 | DP | N/W | PROBLEM | NOT GETTING EOD | LINK IS NOT UP | TOLD THEM TO STOP COMMS FOR NSDL AND TAKE BACKUP | | |
| 18 | INDUSIND | 1983 | DP | SYS | INQUIRY | ENQ ABOUT BACK OFFICE | | EXPLAINED | Resolved | |
| 17 | INTIME | 1980 | SHR | SYS | INQUIRY | QUERY ON BENPOS EXPORT | | EXPLAINED | Resolved | |
| 16 | ACTION FINANCE | 1979 | DP | OPS | INQUIRY | WANT TO KNOW ABOUT RECEPTION FOR ACC NO199720 | | EXPLAINED | Resolved | |
| 15 | MCS | 1978 | SHR/T | OPS | INQUIRY | WANT TO KNOW REGISTRATION CODE FOR SIGN MISMATCH | | TOLD HIM EXACT NO | Resolved | |
| 14 | PCS | 1977 | SHR/T | OPS | INQUIRY | INQUIRIES ABOUT HOW MANY DAYS OF TESTING | | EXPLAINED | Resolved | |
| 13 | INDUSIND | 1971 | DP | OPS | INQUIRY | WANTS TO IMPORT TRASACTION SO THEY INQUIRIES IF A PERSON FROM NSDL COULD GO TO THERE PLACE | | EXPLAINED | Resolved | |
| 12 | STAN CHART | 1970 | DP | OPS | INQUIRY | INQUIRIES ABOUT CORPORATE ACTION | | EXPLAINED | Resolved | |

Identification Code: OPS011
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Grievance Processing

PURPOSE: To process grievances from parties other than business partners.

NOTE: So far none have been received, but as trading volumes grow, the need for grievance processing is envisaged.

PROCEDURE:

Officer

1. Receives notice of grievance.

2. Informs the party that the grievance has been received and the time period within which a reply will be sent.

3. Checks if NSDL is responsible for the problem.

4. Verifies the facts documented by the party.

5. Forwards information to Manager.

Manager

6. Arrives at a decision on how to resolve the grievance.

a. Instructs Officer on actions to be taken.
b. Notifies Legal Department where appropriate.
c. Notifies Senior Management.
d. Letter to the individual.

Officer

7. Maintains file of reports and related documentation for future reference.



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Identification Code: OPS012
Approvals: Executive Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Issuing Circulars

PURPOSE: To issue circulars to Issuers/R&T Agents periodically for their information and action. For example, circulars are sent informing Issuers/R&T Agents of features available in a new version of software, or informing them of amendments to the Bye Laws or Business Rules.

PROCEDURE:

Officer

1. Receives instructions to issue circular from HOD or Participant Interface Department.

2. Drafts circular as per the standard format. (Exhibit I)

3. Obtains approval of the contents of the circular from the HOD/ED.

4. Approaches HOD's secretary for next circular number.

HOD's secretary

5. Refers to the register of circulars sent to Issuers/R&T Agents for the next circular number.

6. Assigns a circular reference number.

7. Logs the details of the circular in the register.

Officer

8. Obtains a circular number from the HOD's secretary.

9. Types in the circular reference number on the circular and prepares the final copy of the circular.

10. Forwards circular to HOD for signature.

HOD

11. Signs the circular and returns it to the Officer.

Officer

12. Sends circular to the dispatch room where it is sent to all Issuers/R&T Agents by courier.

13. Maintains file of circulars for future reference.

Procedure Number: OPS 012
Title: Circular Format

EXHIBIT I

**National Securities Depository Ltd**
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Tel: 497 2964 - 70, Fax : 91-22-497 2993

**Issuer Interface**

**Circular**

**Ref No. : NSDL/II/_____**
**Date : _____, 1997**

**Sub :**

All Issuers and R&T Agents are hereby informed that :

We therefore request all Issuers and R&T Agents to strictly adhere to the above .

For and on behalf of
**National Securities Depository Limited**

**S Gopalan**
**Asst. Vice-President**

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# APPENDIX F

## DRAFT OF PROCEDURE MANUAL

## BUSINESS PARTNER INSPECTION

# Business Partner Inspection Department

# Operating Procedures

## National Securities Depository Ltd.

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Manual prepared by:

Price Waterhouse LLP/USAID FIRE Project

Disclaimer: This publication has been prepared by Price Waterhouse LLP/FIRE Project sponsored by USAID, for private circulation. While utmost care has been taken in preparing this manual, we claim no responsibility for its completeness and accuracy.

Version: 1.0/Aug 1997

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| Title | Procedure No. |
| --- | --- |
| Inspection of Business Partners | INS001 |

Identification Code: INS001
Approvals: Managing Director and Head of Department

Implementation Date: July 97
Revision Date:

TITLE: Inspection of Business Partners

PURPOSE: To conduct inspections of Issuers/R&T Agents as well as Depository Participants. To inspect their books of accounts, records, documents and infrastructure, systems and procedures and to make recommendations.

PROCEDURE:

Officer

1. Obtains full knowledge of business partner by reading correspondence, checking on payments due, help desk reports and checking Form B which gives details of the systems installed.

2. Reviews papers from previous inspection to determine recommendations at that time.

HOD/Manager

3. Provides direction on areas to be inspected.

Officer

4. Makes an appointment with the business partner (by letter) and informs them of the designated Officers who will conduct the inspection.

5. Visits the business partner's office at the agreed time.

6. Goes through all the points in the theme paper for inspections and documents the findings.
a. For Issuers/R&T Agents (Exhibit I) or
b. For Depository Participants (Exhibit II)

7. Checks whether the recommendations from the previous inspection have been implemented.

8. Prepares an inspection report within two days after inspection completed.

HOD

9. Prepares the comments and recommendations and forwards these to the ED and MD.



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| | |
|---|---|
| ED/MD | 10. Comments on the inspection report and recommendations and returns it to the Officer. |
| Officer | 11. Drafts a letter on inspection feedback. |
| | 12. Obtains signature on the letter from HOD and sends the recommendations to the business partner. |
| | 13. Maintains file of related documents for future reference. |



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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (a)

NATIONAL SECURITIES DEPOSITORY LIMITED
(BP INSPECTION DEPARTMENT)

**Sub : Report on visit to** _____ __

_____, ( Share Registrar/ Issuer ) was visited by the undersigned officers on _____.

The following are the salient observations :

Submitted.

**O ( ) :**

**O ( ) :**

**VP (VRN) :**

**M (AS)**

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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (b)

***Preparatory points for visit to _____ (Share registrar/ Issuer)***

1. Name of the Registrar/ Issuer :
2. Officers proposed to visit :
3. Date of proposed visit :
4. Date of last visit :

General information

1. Address where records are kept :
2. Contact person :
3. Compliance officer :
4. Investor relations officer :
5. Name of the persons trained at NSDL :

Client information

1. Number of clients :
2. Number of clients to whom full service is given :
3. Number of clients to whom only connectivity is provided :
4. Total no. of beneficiary owners attached to the SHR/ Issuer:

Performance related information

1. Connectivity record during the last three months : (if there have been frequent failures, a detailed discussion should be held during the visit and a report given under the head "connectivity")



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# Procedure Number: INS001
# Title: Theme Paper for Inspections for Share Registrars/Issuers
## EXHIBIT I (c)

2. General queries as observed from help desk register

3. Are there any specific complaints about delay in despatch of share certificates for demat :

4. Check the file for pending correspondence :

5. Complaints

6. Whether Issuer provides timely information to the Depository about book closure, record dates, etc.

7. Whether the grievances of the Beneficial Owners are resolved by the Issuer or its Registrar & Transfer Agent within a period of twenty-one days, from the date of receipt of the complaint concerning NSDL and/or its agents:

8. Number of demat / remat requests received.

| Time to confirmation | No. of days | DRF No. | ISIN name | DP |
|---|---|---|---|---|
| | | | | |
| | | | | |
| Maximum time | | | | |
| | | | | |
| Minimum time | | | | |
| | | | | |
| Average time | | NA | NA | NA |

Observations/ follow up on the last visit

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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (d)

***Report on visit to _____ (Share Registrar/ Issuer)***

Chief Executive :

Operations In charge :

No. of officers/ staff

at Mumbai :

branchwise :

Total folios handled :

ISINs handled outside Bombay/ SHR location :

Arrangements for each ISIN

Organisation chart

*DEMATERIALISATION*

- Whether all certificates received are duly defaced with words "Submitted For Dematerialisation" and have holes punched into them. If not so defaced, has the DP who has forwarded the certificates been notified and the same reported to NSDL.

- Whether temporary or final receipt is given by the Issuer or its **R & T** Agent for each DRF. If so, what kind of seal or stamp is used ? How much time is taken to give final receipt?

- On confirmation of dematerialisation request, what does the Issuer or its **R & T** Agent do with the certificates.
  Scan and destroy
  Destroy
  Store at the co.
  Store at the registrar



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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (e)

- Does the Issuer or its R & T Agent process the dematerialisation requests within 15 days from the date of receipt of the request. Check point should be the inward register maintained by the Registrar

| Time to confirmation | No. of days | DRF No. | no. of shares | no. of certificates | DP |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| Maximum time | | | | | |
| | | | | | |
| Minimum time | | | | | |
| | | | | | |
| Average time | | NA | NA | | NA |

Time elapsed between receiving Demat request on the system and physical receipt of paper

| Time gap | No. of days | DRF No. | no. of certificates | DP | Mode of sending |
|---|---|---|---|---|---|
| | | | | | |
| Maximum time | | | | | |
| | | | | | |
| Minimum time | | | | | |
| | | | | | |
| Average time | | NA | NA | | NA |

- What is the method of custody and safe keeping of DRFs ?
- What is the control over DNRs (distinctive number ranges) ?
- Whether the demat requests are being taken to share transfer committee or being done directly without reference to the committee/issuer?

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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (f)

- Observations on the scrutiny of the certificates:
    - what additional checks/ precautions are being taken?
    - whether a register is opened for the control of distinctive numbers dematerialised?
- Whether any demat request was rejected. If yes, details of rejection:

DRF no./ no. of shares/ DP/ Client/ Reason for rejection

- Verification of Demat request and Release of credit - same person or different?

Procedure when only electronic connectivity is given (enclose formats used - within same city/ outside ) :

***RECONCILIATION***

- Whether the Issuer reconciles the records in respect of balances of eligible securities
- What records are kept in case of mismatch and action taken thereafter ?
- Whether there is a check with ROM for NSDL balance.

***RECORDS MAINTAINED BY THE REGISTRAR AND TRANSFER AGENT***

- How are the following records maintained :

  DRF received from the DP:

  Certificate details of securities received for dematerialisation:

  Objection memo and certificate details of the rejected securities against the DRN:

  RRF submitted by the client:

  Proof of delivery of share certificates which have been sent to the client after rematerialisation;



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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (g)

***HARDWARE***

Connectivity :

Period for which system is kept powered on ?
Whether router is powered off at night ?
Problems encountered in achieving 100 % connectivity if any

- Whether any other workstation. computer system or hardware has been connected to the User Hardware System.
- Physical location of the hardware and whether access restricted or not ?
- Measures taken to prevent break ins. hacking etc.
- Whether disk space is adequate for the no. of folios (show calculations) :

***SOFTWARE***

- How many people have System Admin access.
- Whether variable access rights given or not ?
- What is the version of Application software ? Has the latest version been updated ?
- What is the Windows NT version ?

***BACKUPS***

Are there any problems in taking backups:
Whether back-ups are being taken up regularly:
Who ensures back-up is taken :
Who does the backup:
What type of numbering scheme is followed:
Where are the old backup tapes kept:
When do they do the backup:
Where do they store remote backup:
Availability of UPS and capacity :



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Procedure Number: INS001
Title: Theme Paper for Inspections for Share Registrars/Issuers
EXHIBIT I (h)

*SUPERVISORY PERSONNEL*

Whether the Issuer is maintaining an internal record of the names of all persons who are designated as supervisory personnel and dates for which such designation is or was effective.

- Whether NSDL trained persons are there and whether they are working exclusively on the depository system or have been assigned other duties as well?
- What are the working hours prescribed for their staff? What is staffing arrangement now in place -- shift, etc.
- Whether Compliance Officer and Investor Relations Officer have been nominated ?
- Who is the System Administrator
- If they have Windows NT & SQL SERVER trained staff ?

*SYSTEM and ACCESS SECURITY*

- How many people have access to NT Console (administration password) ?
- Have they implemented Access Authorisation scheme available in DPM Module ?
- Is the system loaded with any other application ?
- Is virus protection being used?

*USAGE*

Any difficulty faced in using the system :
Is the system user friendly:
Whether additional training for staff is needed:
Where do you desire improvement:
Any bugs discovered:

**Suggestions from the Business Partner:**

**Concluding observations:**



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Procedure Number: INS001
Title: Theme Paper for Inspections for Depository Participants
EXHIBIT II (a)

NATIONAL SECURITIES DEPOSITORY LIMITED
(BP INSPECTION DEPARTMENT)

**Sub : Report on visit to** _____

_____, ( Depository Participant) was visited by the

undersigned officers on _____.

The following are the salient observations :

Submitted.

**O ( ) :**

**O ( ) :**

**M (AS)**

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Procedure Number: INS001
Title: Theme Paper for Inspections for Depository Participants
EXHIBIT II (b)

***PREPARATORY NOTE***

1. Name of the Business Partner :
2. Officers proposed to visit :
3. Date of proposed visit :
4. Date of last visit :

General information

1. Address where records are kept :
2. Contact person :
3. Compliance officer :
4. Investor relations officer :
5. Name of the persons trained at NSDL :

Client information

1. Number of clients :
2. Number of clearing member accounts :
3. Number of ISINs :
4. Major ISINs held in custody :
5. Branches from where service offered :



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# Procedure Number: INS001
# Title: Theme Paper for Inspections for Depository Participants
## EXHIBIT II (c)

Performance related information

1. Connectivity record during the last three months : (if there have been frequent failures. a detailed discussion should be held during the visit and a report given under the head "connectivity") Connectivity "up" time (100 %/ satisfactory/ poor)

2. General queries as observed from help desk register

3. Are there any specific complaints about delay in despatch of share certificates for demat :

4. Net worth as per latest annual report (check that custody value is 25 times) :

5. Are there a major proportion of off market transactions :

6. Whether all pending correspondence is cleared

7. Complaints

8. Take Audit trail report for client A/c (clearing members. NRIs. corporates) and house A/c. use it to check for proper documentation and scrutinise forms of clients and make detailed scrutiny of house A/c transactions at site

9. Whether the Participants have submitted the following returns to the Depository

- number of complaints received from Clients. their nature. status and manner of redressal once every month;

- number of transfers effected for off-market settlement of trades once every month.

Observations/ follow up on the last visit



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# Procedure Number: INS001
# Title: Theme Paper for Inspections for Depository Participants
# EXHIBIT II (h)

Whether router is powered off at night ?

Problems encountered in achieving 100 % connectivity if any

- Whether any other workstation. computer system or hardware has been connected to the User Hardware System.

- Physical location of the hardware and whether access restricted or not ?

- Measures taken to prevent break ins. hacking etc.

*SOFTWARE*

- How many people have System Admin access.
- Whether variable access rights given or not ?
- What is the version of Application software ? Has the latest version been updated ?
- What is the Windows NT version ?

*BACKUPS*

- Whether back-ups are being taken up regularly ?

- Who ensures back-up is taken ? Who does the backup?

- Where are the remote back-ups kept?

- Whether sufficient power back-up like UPS is available ? Is UPS cover available for server/ router/ IDU ?

*PERSONNEL*

- Whether the Participant is maintaining an internal record of the names of all persons who are designated as supervisory personnel and dates for which such designation is or was effective.

- Whether NSDL trained persons are there and whether they are working exclusively on the depository system or have been assigned other duties as well?



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Procedure Number: INS001
Title: Theme Paper for Inspections for Depository Participants
EXHIBIT II (d)

*Report on visit to* _____ *(DP)*

Chief Executive :

Operations In charge :

No. of officers working in this activity :

Organisation chart

- What share of the total business is the Depository business and the status given to the Depository part of the business.

- Note office layout and the place where records are kept (with regard to retrieval and safe keeping) .

*ACCOUNT OPENING*

- Whether the application form submitted by the client is verified for

1. address
2. photograph
3. memorandum and articles of association
4. and authorised signatory (in case of a co.)
5. NRI status
6. RBI permission
7. Tax status
8. PAN no.
9. Bank details



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# Procedure Number: INS001
# Title: Theme Paper for Inspections for Depository Participants
## EXHIBIT II (e)

- Whether copy of rules and regulations are easily available to clients.
- What signature verification procedures are in place (scanner, physical record, etc.)
- Random checks to ensure that all relevant details given by investors on the form are identically entered into the system
- Whether proper records for house accounts of DPs are kept

AGREEMENTS

- Observations on agreement between DP and account holder

1. Agreements have been executed at the time of opening accounts
   Y/ No
2. Schedule A (list of charges as per clause 1) is appended to the agreements
   Y/ No
3. Copy of agreement given to client
   Y/ No

*DEMATERIALISATION*

- Whether acknowledgement is given by the **DP** for each DRF.
- Whether all certificates are being defaced with words "Submitted For Dematerialisation"
- Whether holes are being punched into certificates received for demat
- Whether Defacing/ mutilation is being done in the presence of the client.
- Has the **DP** forwarded the DRF received, along with the security certificates, to the Issuer or its Registrar & Transfer Agent not later than 7 days of accepting the same



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from its Client. Log book of receipt and delivery of DRFs should be the check point. Also courier receipts.

| DRF despatch lapse time | No. of days | DRF No. | ISIN name | No. of certificates |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| Maximum time | | | | |
| | | | | |
| Minimum time | | | | |
| | | | | |
| Average time | | NA | NA | NA |

- Are incomplete dematerialisation request forms being accepted by the **DP**
- How has the **DP** ensured the safety of the certificates submitted for dematerialisation till the certificates are forwarded to the Issuer or its Registrar and Transfer Agent. What are the means of forwarding ?
- What is the method of custody and safe keeping of DRFs ?
- What is the method of despatching securities to the concerned SHR ?

*OPERATING ACCOUNTS/ ACCOUNT TRANSFERS*

- Whether acknowledgement is given by the **DP** for each account transfer instruction.
- Whenever **DP** executes any debit or credit in the account of the Client does it do so after taking authorisation from such Client. Check instruction forms
- Verify whether the forms laid down under the Business Rules are being adhered to by the Participants at the time of operating the accounts of their clients and giving effect to the transactions.
- Check proportion of off - mkt to mkt deliveries
- Check delivery out orders/ receipt in instructions



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# Procedure Number: INS001
# Title: Theme Paper for Inspections for Depository Participants
## EXHIBIT II (g)

- Check house A/c to client A/c, client to CM, and client to client transfers (two each at random)

What method is adopted to authenticate signatures on client instructions ?

*STATEMENT OF ACCOUNT*

- Whether the Participant is forwarding periodical statement of accounts to the Clients at least once in fifteen days
- Whether transaction statement is being forwarded to the clients once in fifteen days
- Whether the statements are being authenticated ?
- If so, how ?

*RECORDS BEING MAINTAINED BY THE PARTICIPANTS*

Check whether following are being kept :

1. Delivery/ Receipt Instructions given by its clients.
2. Instruction for cancellation of orders by clients.

Whether such instructions are being maintained for house account transactions as well.

Check following records. Check forms used by DP in comparison with prescribed forms. Take sample copies and note deviations :

i ) Dematerialisation request form (DRF) .
ii ) Proof of deliveries of DRF and securities to the Issuer or its Registrar and Transfer Agent;
iii ) Objection memo and certificate details of the rejected securities against the DRN;

*HARDWARE*

Connectivity :

Period for which system is kept powered on ?



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Procedure Number: INS001
Title: Theme Paper for Inspections for Depository Participants
EXHIBIT II (i)

- Adequate Windows NT & SQL SERVER trained staff ?
  *SYSTEM and ACCESS SECURITY*

- How many people have access to NT Console (administration password) ?

- Has Access Authorisation scheme been implemented ?

- Is the system loaded with any other application ?

**Suggestions from the Business Partner:**

**Concluding observations:**



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