

Annexure B

Deletion of the Bye Law

7.1. CONTINGENCY FUNDS

- 7.1.1 NSDL may establish different contingency funds/reserves including the Participants Fund and Investor Protection Reserve under these Bye Laws from time to time. Each Participant will be required to contribute to these Funds/Reserves in the manner and on such terms and conditions as may be specified by the Depository under the Business Rules.
- 7.1.2 The Executive Committee may specify in the Business Rules, the procedure for setting up, operation and administration of these funds/reserves and for the purpose for which these funds/reserves may be used from time to time.
- 7.1.3 The Executive Committee may also specify the persons who are entitled to make claims, the procedures for making claims and inter se priority of such claims.
- 7.1.4 The Investor Protection Reserve may be operated and administered by a committee, which will have a maximum of five members, to be appointed by the Board of NSDL from time to time.
- 7.1.5 The Funds of the Participants Fund shall be operated and administered in accordance with the Deed of Trust of "National Securities Depository Limited Participants Fund Trust" by the Trustees, appointed by the Board of Directors, for the benefit of Participants.

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- 5.2(xii) administration and operation of the reserves created by the Depository including "Investor Protection Reserve";
- 7.5(ii) The Fund so established shall not be used for the purpose of indemnifying the beneficial owner(s) under section 16 of the Depositories Act, 1996.