

EXTRACTS OF THE AGENDA OF THE 88TH MEETING OF THE BOARD OF DIRECTORS OF NATIONAL SECURITIES DEPOSITORY LIMITED HELD ON WEDNESDAY, FEBRUARY 07, 2024 AT 02.45 P.M. AT BOARD ROOM, 5TH FLOOR, TRADE WORLD, 'A' WING, KAMALA MILLS COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI - 400013

➤ **Amendments to Business Rules regarding 'Allowing Security certificates in the old name of the issuer for dematerialisation'**

SEBI vide its email dated December 01, 2023 has advised depositories to amend the Business Rules w.r.t 'allowing old share certificates for dematerialisation' for the benefit of the investors without requiring them to submit further documents evidencing change of name of the Company.

Pursuant to the aforesaid SEBI Communication, NSDL is required to make consequential amendments in its Business Rules regarding 'Allowing Security certificates in the old name of the issuer for dematerialisation'.

Accordingly, it is proposed to amend the NSDL Business Rules as below:

- Amendments to Business Rules 11.1

The Board is requested to approve the Amendments to Business Rules 11.1.

➤ **Risk Management Framework (Policy), Risk and Control Self-Assessment (RCSA) Framework and Incident Reporting Framework for Non-IT Incidents**

The Risk Management Committee in its meeting held on July 26, 2023 advised that the Head of Risk to analyse the existing risk management process of NSDL and present a revised risk management framework in its next meeting. Further, it also advised to review the entire process of Risk Registers and the way forward to move from Risk Register to RCSA before the Committee in its next meeting.

Accordingly, we have drafted a Risk Management Framework (Policy), Risk and Control Self-Assessment (RCSA) Framework and Incident Reporting Framework for Non-IT Incidents. The draft version of said policy documents will be placed before the Committee for its deliberation and approval.

As these policies and framework being new, it may take some time to implement the same in entirety, accordingly we propose the committee to grant us time till Q2 of FY 2024-25 (i.e. by September 30, 2024) for the implementation of these policies.

The Risk Management Committee in its meeting held on January 17, 2024, approved and recommended the Risk Management Framework (Policy), Risk and Control Self-Assessment (RCSA) Framework and Incident Reporting Framework for Non-IT Incidents for approval of the Board.

The Board is requested to approve the Risk Management Framework (Policy), Risk and Control Self-Assessment (RCSA) Framework and Incident Reporting Framework for Non-IT Incidents.

➤ **Status of investor grievances received by NSDL**

NSDL receives the grievances from investors :

- a. directly (electronic form/ physical form/NSDL online portal)
- b. through SEBI (SCORES)

The above grievances received at NSDL are mainly classified as:

- a. against Depository Participants (DPs)
- b. against Issuers/Registrar & Transfer Agents (RTAs)
- c. against Depository (includes CAS grievances)

Grievances mentioned in point '2' above have been categorized as per types prescribed in SEBI Circular ref no. SEBI/MRD/OIAE/Dep/Cir-4/2010 dated January 29, 2010. The same are as under:

- a. Account Opening Related
- b. Demat/ Remat Related
- c. Transaction Statement Related
- d. Improper Service Related
- e. Charges Related
- f. Delivery Instruction Related (DIS)
- g. Closure
- h. Manipulation/ Unauthorized Action
- i. Company/ RTA Related
- j. Others

Further, NSDL also receives:

- Grievances pertaining to broking, PAN related and other entity related etc., which are categorized as “grievance outside the NSDL purview”.
- Queries on processes, general information etc., which are classified as “non-grievance”.

Summary of pending grievances as on December 31,2023 is as below:

Pending at Beginning of Month of December 2023	Grievances Received during the month of December 2023	Grievances Resolved during the month of December 2023	Pending at end of month (December 31, 2023)	Pending aging in days					Pending at end of month (December 31, 2023)
				Upto 7 days	8-15 days	16-21 days	22-30 days	30-60 days	
1	505	333	173	118	48	6	1*	0	173

*Earlier the timeline to redress the grievances was 30 days. Pursuant to Amendment in SEBI D&P Regulation 2018 vide notification dated August 16, 2023, the timeline to redressal grievances has been revised from 30 days to 21 days. Out of aforesaid pending grievances, one grievance is redressed post 21 days. The said grievance was related to transmission and response was provided after legal review.

The quarter wise count of grievances received directly by NSDL & from Sebi (other than CAS) is as below:

Investor Grievances	Q3- FY2022-23 (Oct to Dec)	Q4 - FY2022-23 (Jan to Mar)	Q1- FY2023-24 (Apr to Jun)	Q2- FY2023-24 (July to Sept)	Q3- FY2023-24 (Oct to Dec)
Pending at Beginning of quarter (A)	142	151	124	119	266
Complaints received during quarter					
· Against DPs	838	834	808	1240	1091

Investor Grievances	Q3- FY2022- 23 (Oct to Dec)	Q4 - FY2022- 23 (Jan to Mar)	Q1- FY2023- 24 (Apr to Jun)	Q2- FY2023- 24 (July to Sept)	Q3- FY2023- 24 (Oct to Dec)
· Against Depository	359	449	405	468	262
· Against Issuers / RTAs	86	81	56	70	72
· Incomplete Details	58	54	45	47	67
· Erroneous Transfer	5	5	1	0	3
Total Complaints received during quarter (B)	1346	1423	1315	1825	1495
Total Received (A+ B)	1488	1574	1439	1944	1761
Total Resolved	1337	1450	1320	1678	1588
Pending at end of quarter	151	124	119	266	173
Outside NSDL purview	336	267	264	342	282

The below trend is observed in grievances:

Against Depository Participants (DPs)	Reduction of 12% is observed in Q3 of FY 2023-24 as compared to Q2 of F.Y. 2023-24. The reduction is mainly in (i) charges related (ii) account closure related grievances.
Against Issuers/Registrar & Transfer Agents (RTAs)	Minor rise of 2% is observed in Q3 of F.Y.2023-2024 as compared to Q2 of F.Y. 2023-24.

CAS grievances:

The statistic of CAS grievances corresponding to CAS dispatched in Q3 (FY2023-24) is as under:

Month	No. of Grievances	CAS Dispatched	% of Grievances
Oct-23	4304	61,73,226	0.06%
Nov-23	2760	58,83,599	0.04%
Dec-23	3960	64,46,890	0.06%

Unauthorized Transfer grievances (UT):

The summary of grievances related to allegations of unauthorized transfer of securities for Q3 (from October 1 to December 31, 2023) is given below. It is observed that grievances in Q3 are mainly related to securities debited based on POA and shares transferred to IEPF.

UT grievance Particulars	Q2- FY2023-24 (July to Sept)	Q3- FY2023-24 (Oct to Dec)
Pending at Beginning of quarter	0	0
Total complaints received during quarter	7	15
Complaints Resolved during quarter	7	15
Pending at end of quarter	0	0

The Board is requested to review the same.