Annexure A

19. RULES OF ARBITRATION

19.1. NSDL Committee of Arbitration

19.1.1. The Arbitration Committee ("the Committee") of National Securities Depository Limited ("NSDL") shall provide for, manage and supervise all aspects in the matter of settlement by arbitration of disputes arising out of all dealings on the depository as provided for in the NSDL Bye-Laws and Business Rules and may in addition to enforcing these Rules frame its own Rules for Arbitration.

19.1.2. As provided for in its Internal Rules, the Committee may delegate to one or more committees composed of its members the power to take certain decisions, provided that any such decision is reported to the Committee at its next session.

19.1.3. The Secretariat of the Committee ("the Secretariat") under the direction of the Chairman ("Chairman") shall have its seat at the head office of NSDL.

19.2. Written Notifications or Communications; Time Limits

19.2.1. All pleadings and other written communications submitted by any party, as well as all documents annexed thereto, shall be supplied in a number of copies sufficient to provide one copy for each party, plus one for each arbitrator, and one for the Secretariat. A copy of all the communications from the Arbitral Tribunal to the parties shall be sent to the Secretariat.

19.2.2. All notifications or communications from the Secretariat and the Arbitral Tribunal shall be made to the last address of the party or its representative for whom the same are intended, as notified either by the party in question or by the other party. Such notification or communication may be made by delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of telecommunication that provides a record of the communication thereof.

19.2.3. A notification or communication shall be deemed to have been made on the day it was received by the party itself or by its representative, or would have been received if it is made in accordance with the preceding paragraph.

19.2.4. Periods of time specified in, or fixed under the present Rules, shall start to run on the day following the date a notification or communication is deemed to have been made in accordance with the preceding paragraph. When the day next following such date is a bank holiday, the period of time shall commence on the first following business day. Official holidays and non-business days are included in the calculation of the period of time. If the last day of the relevant period of time granted is an official holiday or a non-business day, the period of time shall expire at the end of the first following business day.

COMMENCING THE ARBITRATION

19.3. Request for Arbitration

19.3.1. Any party to a dispute may submit its Request for Arbitration ("the Request") to the Secretariat, which shall notify the Claimant and Respondent of the receipt of the Request and the date of such receipt.

19.3.2. The date on which the Request is received by the Secretariat shall, for all purposes, be deemed to be the date of the commencement of the arbitral proceedings.

19.3.3. The Request shall, inter alia, contain the following information:

(a) the name in full, description and address of each of the parties;
(b) a description of the nature and circumstances of the dispute giving rise to the claim(s), together with copies of all documents relied on.
(c) a statement of the relief sought, including, to the extent possible, an indication of any amount(s) claimed;
(d) the relevant agreements;
(e) all relevant particulars concerning the number of arbitrators and their choice in accordance with the provisions of Rules 19.7, 19.8 and 19.9 and any nomination of an arbitrator required thereby.

19.3.4. Together with the Request, the Claimant shall submit the number of copies thereof required by Rule 19.2.1 and shall make the advance payment on administrative expenses required by Appendix III (Arbitration Costs and Fees) in force on the date the Request is submitted. In the event that the Claimant fails to comply with either of these requirements, the Secretariat may fix a time limit within which the Claimant must comply, failing which the File shall be closed without prejudice to the right of the Claimant to submit the same claims at a later date in another Request.

19.3.5. The Secretariat shall send a copy of the Request and the documents annexed thereto to the Respondent for its Answer to the Request once the Secretariat has sufficient copies of the Request and the required advance payment.

19.3.6. When a party submits a Request in connection with a legal relationship in respect of which arbitration proceedings between the same parties are already pending under these Rules, the Committee may, at the request of a party, decide to include the claims contained in the Request in the pending proceedings provided that the Terms of Reference have not been signed or approved by the Committee. Once the Terms of Reference have been signed or approved by the Committee, claims may only be included in the pending proceedings subject to the provisions of Rule 19.18

19.4. Answer to the Request; Counterclaims

19.4.1. Within 30 days from the receipt of the Request from the Secretariat, the Respondent shall file an Answer (the Answer) which shall, inter alia, contain the following information:

(a) its name in full, description and address;
(b) its comments as to the nature and circumstances of the dispute giving rise to the claim(s);
(c) its response to the relief sought; and

(d) any comments concerning the number of arbitrators and their choice in light of the Claimant's proposals and in accordance with the provisions of Rules 19.7, 19.8 and 19.9 and any nomination of an arbitrator required thereby.

19.4.2. The Secretariat may grant the Respondent an extension of the time for filing the Answer, provided the application for such an extension contains the Respondent's comments concerning the number of arbitrators and their choice, and, where required by Rules 19.7, 19.8 and 19.9, the nomination of an arbitrator. If the Respondent fails to do so, the Committee shall proceed in accordance with these Rules.

19.4.3. The Answer shall be supplied to the Secretariat in the number of copies specified by Rule 19.2.1

19.4.4. A copy of the Answer and the documents annexed thereto shall be communicated by the Secretariat to the Claimant.

19.4.5. Any counterclaim(s) made by the Respondent shall be filed with its Answer and shall provide:

(a) a description of the nature and circumstances of the dispute giving rise to the counterclaim(s); and

(b) a statement of the relief sought, including, to the extent possible, an indication of any amount(s) counter-claimed.

19.4.6. The Claimant shall file a Reply to any counterclaim within 30 days from the date of receipt of the counterclaim(s) communicated by the Secretariat. The Secretariat may for reasons recorded in writing, grant the Claimant an extension of time for filing the Reply.

19.5. Effect of the Arbitration Agreement

19.5.1. If the Respondent does not file an Answer, as provided by Rule 19.4 the Committee may decide, without prejudice to the admissibility or merits of the plea or pleas, that the arbitration shall proceed if it is prima facie satisfied that the NSDL Bye-Laws in relation to arbitration are applicable. In such a case, any decision as to the jurisdiction of the Arbitral Tribunal shall be taken by the Arbitral Tribunal itself. If the Committee is not so satisfied, the parties shall be notified that the arbitration cannot proceed. In such a case, any party retains the right to ask any Court having jurisdiction whether or not there is a binding arbitration agreement.

THE ARBITRAL TRIBUNAL

19.6. General Provisions

19.6.1. The empanelment of members for arbitration panel and appellate arbitration panel shall be with the prior approval of the Securities and Exchange Board of India. Only members of the panel of arbitration panel and appellate arbitration panel can be appointed as arbitrators or appellate arbitrators on any Arbitral Tribunal or Appellate Arbitration Tribunal either by the parties to the dispute or by the Committee. In case of any difference or dispute

regarding appointment of any person(s) as the arbitrator(s), the procedure laid down under section 11 of Arbitration and Conciliation Act, 1996 shall be complied with.

19.6.2 The panels of arbitration and appellate arbitration shall be separate~~.~~; however, such panels are not required to be exclusive. The members can serve on the arbitration panel and appellate arbitration panel, provided that in the same matter, the member(s) of the arbitration panel are not considered for constituting the appellate arbitration panel if the matter goes to appeal. Further, for appellate arbitration, at least one member should be a retired Judge.

19.6.3. Such panel shall comprise persons of ability, integrity and standing, and having adequate knowledge and experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce or administration, and willing to serve as arbitrators. The Committee shall provide adequate information as to the qualifications and experience of such persons. NSDL shall disseminate information of profiles of arbitrators, their qualifications, areas of experience/ expertise, number of arbitration matters handled, pre-arbitration experience etc. of the arbitrators on its website.

19.6.4. Every arbitrator must be and remain independent of the parties involved in the arbitration.

19.6.5. Before appointment or confirmation, a prospective arbitrator shall sign a statement of independence and disclose in writing to the Secretariat any facts or circumstances which might be of such a nature as to call into question the arbitrator's independence in the eyes of the parties. The Secretariat shall provide such information to the parties in writing and fix a time limit for any comments from them.

19.6.6. An arbitrator shall immediately disclose in writing to the Secretariat and to the parties any facts or circumstances of a similar nature which may arise during the arbitration.

19.6.7. The decisions of the Committee as to the appointment, confirmation, challenge or replacement of an arbitrator shall be final and the reasons for such decisions shall not be communicated.

19.6.8. By accepting to serve, every arbitrator undertakes to carry out his responsibilities in accordance with these Rules.

19.6.9. Insofar as the parties have not provided otherwise, the Arbitral Tribunal shall be constituted in accordance with the provisions of Rules 19.7,19.8 and 19.9.

19.7. Number of Arbitrators

19.7.1. The disputes shall be decided by a sole arbitrator or by three arbitrators.

19.7.2. Save and except, as provided in Rule 19.7.3, in all claims, differences and disputes, whether or not involving NSDL, the Arbitral Tribunal shall comprise a sole arbitrator.

19.7.3. In all claims, differences and disputes involving only two parties, NSDL being one of the parties to the dispute, the Arbitral Tribunal shall comprise three arbitrators, one arbitrator to be appointed by each Party and the two arbitrators so appointed, in turn appointing the third arbitrator. The third arbitrator so appointed shall preside over the Arbitral Tribunal.

19.7.4. Where the Arbitral Tribunal is required to consist of three arbitrators under Rule 19.7.3 above, and any of the parties to the dispute fails to make the necessary deposit towards the cost and expenses of arbitration, instead of three arbitrators, the Committee may subject to the other provisions of these Rules appoint a sole arbitrator.

19.7.5. Notwithstanding anything contained in these Rules, where there are more than two parties to a dispute, the Arbitral Tribunal that adjudicates upon such dispute shall consist of a sole arbitrator.

19.7.6. Where the dispute is to be settled by a sole arbitrator, the parties may, by agreement, nominate the sole arbitrator for confirmation. If the parties fail to nominate a sole arbitrator within 30 days from the date when the Claimant's Request for Arbitration has been received by the other party, or within such additional time as may be allowed by the Secretariat, the sole arbitrator shall be appointed by the Committee.

19.7.7. Where the dispute is to be referred to three arbitrators, each party shall nominate in the Request and the Answer, respectively, one arbitrator for confirmation by the Committee. If a party fails to nominate an arbitrator, the appointment shall be made by the Committee. The third arbitrator, who shall act as chairman of the Arbitral Tribunal, shall be appointed by the Committee. Should such procedure not result in a nomination within the time limit fixed by the parties or the Committee, the third arbitrator shall be appointed by the Committee.

19.8. Appointment and Confirmation of the Arbitrators

19.8.1. In confirming or appointing arbitrators, the Committee shall consider the prospective arbitrator's residence, business interests and other relationships with the parties and the prospective arbitrator's availability and ability to conduct the arbitration in accordance with these Rules. The same shall apply where the Chairman confirms arbitrators pursuant to Rule 19.8.2.

19.8.2. The Chairman may confirm as co-arbitrators, sole arbitrators and Chairman of Arbitral Tribunals persons nominated by the parties or pursuant to their particular agreements, provided they have filed a statement of independence without qualification or a qualified statement of independence has not given rise to objections. Such confirmation shall be reported to the Committee at its next session. If the Chairman considers that a co-arbitrator, sole arbitrator or Chairman of an Arbitral Tribunal should not be confirmed, the matter shall be submitted to the Committee.

19.9. Multiple Parties

19.9.1. Where there are multiple parties, whether as Claimant or as Respondent, and where the dispute is to be referred to three arbitrators, the multiple Claimants, jointly, and the multiple Respondents, jointly, shall nominate an arbitrator for confirmation pursuant to Rule 19.8.

19.9.2. In the absence of such a joint nomination and where all parties are unable to agree to a method for the constitution of the Arbitral Tribunal, the Committee may appoint each member of the Arbitral Tribunal and shall designate one of them to act as Chairman. In such case, the Committee shall be at liberty to choose any person it regards as suitable to act as arbitrator, applying Rule 19.8 when it considers this appropriate.

19.10. Challenge of Arbitrators

19.10.1. A challenge of an arbitrator, whether for an alleged lack of independence or otherwise, shall be made by the submission to the Secretariat of a written statement specifying the facts and circumstances on which the challenge is based.

19.10.2. For a challenge to be admissible, it must be sent by a party either within 30 days from receipt by that party of the notification of the appointment or confirmation of the arbitrator, or within 30 days from the date when the party making the challenge was informed of the facts and circumstances in which the challenge is based, if such date is subsequent to the receipt of such notification.

19.10.3. The Committee shall decide on the admissibility, and, at the same time, if necessary, on the merits of a challenge after the Secretariat has afforded an opportunity for the arbitrator concerned, the other party or parties and any other members of the Arbitral Tribunal, to comment in writing within a suitable period of time. Such comments shall be communicated to the parties and to the arbitrators.

19.11. Replacement of Arbitrators

19.11.1. An arbitrator shall be replaced upon his death, upon the acceptance by the Committee of the arbitrator's resignation, upon acceptance by the Committee of a challenge or upon the request of all the parties.

19.11.2. An arbitrator shall also be replaced on the Committee's own initiative when it decides that he is prevented de jure or de facto from fulfilling his functions, or that he is not fulfilling his functions in accordance with the Rules or within the prescribed time limits.

19.11.3. When, on the basis of information that has come to its attention, the Committee considers applying Rule 19.11.2, it shall decide on the matter after the arbitrator concerned, the parties and any other members of the Arbitral Tribunal have had an opportunity to comment in writing within a suitable period of time. Such comments shall be communicated to the parties and to the arbitrators.

19.11.4. When an arbitrator is to be replaced, the Committee has discretion to decide whether or not to follow the original nominating process. Once reconstituted, and after having invited

the parties to comment, the Arbitral Tribunal shall determine if and to what extent prior proceedings shall be repeated before the reconstituted Arbitral Tribunal.

THE ARBITRAL PROCEEDINGS

19.12. Transmission of the File to the Arbitral Tribunal

19.12.1. The Secretariat shall transmit the File to the Arbitral Tribunal along with its electronic format/soft copies to the Arbitral Tribunal as soon as it has been constituted, provided the advance on costs requested by the Secretariat at this stage has been paid.

19.13. Place of the Arbitration

19.13.1. The place of the arbitration shall be at Mumbai, New Delhi, Kolkata and Chennai, as the case may be.

19.13.2. The Arbitral Tribunal may, after consultation with the parties, conduct hearings and meetings at any other location it considers appropriate unless otherwise agreed by the parties, subject always to the permission of the Secretariat.

19.14. Rules Governing the Proceedings

19.14.1. The proceedings before the Arbitral Tribunal shall be governed by these Rules.

19.14.2. In all cases, the Arbitral Tribunal shall act fairly and impartially and ensure that each party has a reasonable opportunity to present its case.

19.15. Language of the Arbitration

The language of arbitration shall be English.

19.16. Applicable Rules of Law

19.16.1. Reliance shall be had to the rules of law prescribed under The Depositories Act, 1996, Companies Act, 1956, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, any other applicable Laws, SEBI (Depositories and Participants) Regulations, 1996 or any other SEBI Regulations or Guidelines and the Bye Laws and Business Rules of NSDL.

19.16.2. In all cases the Arbitral Tribunal shall take account of the provisions of the contract and the relevant trade usages.

19.16.3. The Arbitral Tribunal shall assume the powers of an amiable compositeur or decide the matter by a “Documents Only” arbitration if the parties have agreed to give it such powers.

19.16.4. Notwithstanding anything contained herein, where the amount in dispute is of a value below Rupees Twenty-five Thousand (25,000) Only, the Arbitral Tribunal shall conduct a "Documents Only" arbitration and the parties to the dispute shall be bound by the same.

19.17. Terms of Reference; Procedural Timetable

19.17.1. As soon as it has received the File from the Secretariat, the Arbitral Tribunal shall draw up, on the basis of documents or in the presence of the parties and in the light of their most recent submissions, a document defining its Terms of Reference. This document shall include the following particulars:

a) the full names and descriptions of the parties;
b) the addresses of the parties to which notifications and communications arising in the course of the arbitration may be made;
c) a summary of the parties' respective claims and of the relief sought by each party, with an indication to the extent possible of the amounts claimed or counterclaimed;
d) unless the Arbitral Tribunal considers it inappropriate, a list of issues to be determined;
e) the full names, descriptions and addresses of the arbitrators;
f) the place of the arbitration; and
g) particulars of the applicable procedural rules and, if such is the case, reference to the power conferred upon the Arbitral Tribunal to act as amiable compositeur or to decide by means of a "Documents Only" arbitration.

19.17.2. The Terms of Reference shall be signed by the parties and the Arbitral Tribunal. Within two months of the date on which the File has been transmitted to it, the Arbitral Tribunal shall transmit to the Committee the Terms of Reference signed by it and by the parties. The Committee may extend this time limit pursuant to a reasoned request from the Arbitral Tribunal.

19.17.3. If any of the parties refuses to take part in the drawing up of the Terms of Reference or to sign the same, they shall be submitted to the Committee for approval. When the Terms of Reference are signed in accordance with Rule 19.17.2 or approved by the Committee, the arbitration shall proceed.

19.17.4. When drawing up the Terms of Reference, or as soon as possible thereafter, the Arbitral Tribunal, after having consulted the parties, shall establish in a separate document a provisional timetable that it intends to follow for the conduct of the arbitration and shall communicate it to the Committee and the parties. Any subsequent modifications of the provisional timetable shall be communicated to the Committee and the parties.

19.18. New Claims

19.18.1. After the Terms of Reference have been signed or approved by the Committee, no party shall make new claims or counterclaims which fall outside the limits of the Terms of Reference unless it has been authorized to do so by the Arbitral Tribunal, which shall

consider the nature of such new claims or counterclaims, the stage of the arbitration and other relevant circumstances.

19.19. Establishing the Facts of the Case

19.19.1. The Arbitral Tribunal shall proceed within as short a time as possible to establish the facts of the case by all appropriate means.

19.19.2. After studying the written submissions of the parties and all documents relied upon, the Arbitral Tribunal shall hear the parties together in person if any of them so requests or, failing such a request, it may of its own motion decide to hear them.

19.19.3. The Arbitral Tribunal may decide to hear witnesses, experts appointed by the parties or any other person, in the presence of the parties, or in their absence provided they have been duly summoned.

19.19.4. The Arbitral Tribunal, after having consulted the parties, may appoint one or more experts, define their terms of reference and receive their reports. At the request of a party, the parties shall be given the opportunity to question at a hearing any such expert appointed by the Tribunal.

19.19.5. At any time during the proceedings, the Arbitral Tribunal may summon any party to provide additional evidence.

19.19.6. The Arbitral Tribunal may decide the case solely on the documents submitted by the parties unless any of the parties reasonably requests a hearing.

19.19.7. The Arbitral Tribunal may take measures for protecting trade secrets and confidential information.

19.20. Hearings

19.20.1. When a hearing is to be held, the Arbitral Tribunal, giving reasonable notice, shall summon the parties to appear before it on the day and at the place fixed by it.

19.20.2. If any of the parties, although duly summoned, fails to appear without valid excuse, the Arbitral Tribunal shall have the power to proceed with the hearing.

19.20.3. The Arbitral Tribunal shall be in full charge of the hearings, at which all the parties shall be entitled to be present. Save with the approval of the Arbitral Tribunal and the parties, persons not involved in the proceedings shall not be admitted.

19.21. Closing of the Proceedings

19.21.1. When it is satisfied that the parties have had a reasonable opportunity to present their cases, the Arbitral Tribunal shall declare the proceedings closed. Thereafter, no further

submission or argument may be made, or evidence produced, unless requested or authorised by the Arbitral Tribunal.

19.21.2. When the Arbitral Tribunal has declared the proceedings closed, it shall indicate to the Secretariat an approximate date by which the Award will be finalised. Any postponement of that date shall be communicated to the Secretariat by the Arbitral Tribunal.

19.22. Conservatory and Interim Measures

19.22.1. Unless the parties have otherwise agreed, as soon as the File has been transmitted to it, the Arbitral Tribunal may, at the request of a party, order any interim measure it deems appropriate. The Arbitral Tribunal may make the granting of any such measure subject to appropriate security being furnished by the requesting party. Any such measure shall take the form of an order, giving reasons, or of an Award, as the Arbitral Tribunal considers appropriate.

19.22.2. If any party has applied to any competent judicial authority for interim or conservatory measures, such application shall not affect the powers of the Arbitral Tribunal. The applying party shall be obliged to notify such application and any measures taken by the judicial authority without delay to the Secretariat. The Secretariat shall inform the Arbitral Tribunal thereof.

AWARDS

19.23. Time Limit for the Award

19.23.1. The time limit within which the Arbitral Tribunal must render its final Award is six months. Such time limit shall start to run from the date of the last signature by the Arbitral Tribunal or of the parties of the Terms of Reference, or, in the case of application of Rule 19.17.3 the date of the notification to the Arbitral Tribunal by the Secretariat of the approval of the Terms of Reference by the Committee.

19.23.2. The Arbitral Tribunal may extend this time limit if it decides it is necessary to do so, for reasons to be recorded in writing.

19.24. Making of the Award

19.24.1. When the Arbitral Tribunal is composed of more than one arbitrator, an Award is given by a majority decision. If there be no majority, the Award shall be made by the Chairman of the Arbitral Tribunal alone.

19.24.2. The Award shall state the reasons upon which it is based.

19.24.3. The Award shall be deemed to be made on the date stated therein.

19.24.4. In order to safe guard the interest of the parties involved in arbitration and to ensure speedy implementation of the Award, the rate of interest on the Award passed by the Arbitral Tribunal shall be in compliance with the Arbitration and Conciliation Act.

19.25. Award by Consent

19.25.1. If the parties reach a settlement after the File has been transmitted to the Arbitral Tribunal in accordance with Rule 19.12, the settlement shall be recorded in the form of an Award made by consent of the parties if so requested by the parties and if the Arbitral Tribunal agrees to do so.

19.26. Notification, Deposit and Enforceability of the Award

19.26.1. An original of each Award made in accordance with the present Rules shall be deposited with the Secretariat.

19.26.2. Once an Award has been made, the Secretariat shall notify to the parties the text signed by the Arbitral Tribunal, provided always that the costs of the arbitration have been fully paid to NSDL by the parties or by one of them.

19.26.3. Additional copies certified true by the Chairman shall be made available on request and at any time to the parties, but to no one else.

19.26.4. By virtue of the notification made in accordance with Rule 19.26.1 of this Rule, the parties waive any other form of notification or deposit on the part of the Arbitral Tribunal.

19.26.5. The Arbitral Tribunal and the Secretariat shall assist the parties in complying with whatever further formalities that may be necessary.

19.26.6. Every Award shall be binding on the parties. By submitting the dispute to arbitration under these Rules, the parties undertake to carry out any Award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made.

19.26.7. A party aggrieved by the Arbitral Award may file an appeal before the Appellate Arbitrator by paying such fees as may be prescribed by the Arbitration Committee from time to time in addition to the statutory dues (stamp duty, service tax etc.) along with the appeal.

19.26.8 The above articles 19.6 to 19.25 shall be applicable to Appellate Arbitration.

19.27. Correction and Interpretation of the Award

19.27.1. On its own initiative, the Arbitral Tribunal may correct a clerical, computational or typographical error, or any errors of similar nature contained in an Award within 30 days of the date of such Award.

19.27.2. Any application of a party for the correction of an error of the kind referred to in Rule 19.27.1, or for the interpretation of an Award, must be made to the Secretariat within 30 days of the receipt of the Award by such party, in a number of copies as stated in Rule 19.2.1. After transmittal of the application to the Arbitral Tribunal, it shall grant the other party a short time limit, normally not exceeding 30 days, from the receipt of the application by that party to submit any comments thereon. If the Arbitral Tribunal decides to correct or interpret the Award, it shall submit its decision in draft form to the Committee not later than 30 days following the expiration of the time limit for the receipt of any comments from the other party or within such other period as the Committee may decide.

19.27.3. The decision to correct or to interpret the Award shall take the form of an addendum and shall constitute part of the Award. The provisions of Rules 19.24 and 19.26 shall apply mutatis mutandis.

COSTS

19.28. Advance to Cover the Costs of the Arbitration

19.28.1. After receipt of the Request, the Chairman may request the Claimant to pay a provisional advance in an amount intended to cover the costs of arbitration until the Terms of Reference have been drawn up.

19.28.2. As soon as practicable, the Committee shall fix the advance on costs in an amount likely to cover the fees and expenses of the arbitrators and the NSDL administrative costs for the claims and counterclaims which have been referred to it by the parties. This amount may be subject to readjustment at any time during the arbitration. Where, apart from the claims, counterclaims are submitted, the Committee may fix separate advances on costs for the claims and the counterclaims.

19.28.3. The advance on costs fixed by the Committee shall be payable in equal shares by the Claimant and the Respondent. Any provisional advance paid on the basis of Rule 19.28.1. will be considered as a partial payment thereof. However, any party shall be free to pay the whole of the advance on costs in respect of the principal claim or the counterclaim should the other party fail to pay its share. When the Committee has set separate advances on costs in accordance with Rule 19.28.2, each of the parties shall pay the advance on costs corresponding to its claims.

19.28.4. When a request for an advance on costs has not been complied with, and after consultation with the Arbitral Tribunal, the Chairman may direct the Arbitral Tribunal to suspend its work and set a time limit, which must be not less than 15 days, on the expiry of which the relevant claims, or counterclaims, shall be considered as withdrawn. Should the party in question wish to object to this measure it must make a request within the aforementioned period for the matter to be decided by the Committee. Such party shall not be prevented on the ground of such withdrawal from reintroducing the same claims or counterclaims at a later date in another proceeding.

19.28.5. If one of the parties claims a right to a set-off with regard to either claims or counterclaims, such set-off shall be taken into account in determining the advance to cover the costs of arbitration in the same way as a separate claim insofar as it may require the Arbitral Tribunal to consider additional matters.

19.29. Decision as to the Costs of the Arbitration

19.29.1. The costs of the arbitration shall include the fees and expenses of the arbitrators and the NSDL administrative costs fixed by the Committee, in accordance with the scale in force at the time of the commencement of the arbitral proceedings, as well as the fees and expenses of any experts appointed by the Arbitral Tribunal and the reasonable legal and other costs incurred by the parties for the arbitration.

19.29.2. The Committee may fix the fees of the arbitrators at a figure higher or lower than that which would result from the application of the relevant scale should this be deemed necessary due to the exceptional circumstances of the case. Decisions on costs other than those fixed by the Committee may be taken by the Arbitral Tribunal at any time during the proceedings.

19.29.3. The final Award shall fix the costs of the arbitration and decide which of the parties shall bear them or in what proportion they shall be borne by the parties.

MISCELLANEOUS

19.30. Modified Time Limits

19.30.1. The parties may agree to shorten the various time limits set out in these Rules. Any such agreement entered into subsequent to the constitution of an Arbitral Tribunal shall become effective only upon the approval of the Arbitral Tribunal.

19.30.2. The Committee, on its own initiative, may extend any time limit which has been modified pursuant to Rule 19.30.1. if it decides that it is necessary to do so in order that the Arbitral Tribunal or the Committee may fulfil their responsibilities in accordance with these Rules.

19.31. Waiver

19.31.1. A party which proceeds with the arbitration without raising its objection to a failure to comply with any provision of these Rules, or of any other rules applicable to the proceedings, any direction given by the Arbitral Tribunal, or any requirement under the arbitration agreement relating to the constitution of the Arbitral Tribunal, or to the conduct of the proceedings, shall be deemed to have waived its right to object.

19.32. Exclusion of Liability

19.32.1. Neither the arbitrators, nor the Committee and its members, nor NSDL and its employees, nor NSDL's various committees shall be liable to any person for any act or omission in connection with the arbitration.

19.33. General Rule

19.33.1. In all matters not expressly provided for in these Rules, the Committee and the Arbitral Tribunal shall act in the spirit of these Rules and shall make every effort to make sure that the Award is enforceable at law.

APPENDIX - I

ARBITRATION COMMITTEE OF THE NSDL

Article 1 - Function

(1) The function of the Arbitration Committee of NSDL ("the Committee") is to ensure the application of the Rules of Arbitration of NSDL.

(2) The Committee shall be constituted by the Executive Committee of the NSDL in order that it carries out these functions in an independent and quasi-judicial manner.

Article 2 - Composition of the Committee

The Committee shall consist of a Chairman, Vice-Chairman, and members and alternate members (collectively designated as members).

Article 3 - Appointment

(1) The Chairman shall be appointed by the Board of Directors of NSDL based on the recommendation of the Committee of NSDL.

(2) Four other members shall be appointed by the Executive Committee based on the recommendation of the Chairman. Such members shall comprise persons of ability, integrity and standing, and having adequate knowledge or experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce and administration. The Committee shall provide adequate information as to the qualifications and experience of such persons.

Article 4 - Meetings of the Committee

The meetings of the Committee shall be presided over by the Chairman, or, in his absence, by any other member of the Committee designated by him. The deliberations shall be valid when at least three members are present. Decisions are taken by a majority vote, the Chairman having a casting vote in the event of a tie.

Article 5 - Confidentiality

The work of the Committee is of a confidential nature and shall be respected by everyone who participates in that work in whatever capacity. The Committee lays down the rules regarding the persons who can attend the meetings of the Committee and its Committees and who are entitled to have access to the materials submitted to the Committee and its Secretariat.

APPENDIX - II

INTERNAL RULES OF THE ARBITRATION COMMITTEE

(1) The sessions of the Committee, whether plenary or those of a Committee of the Committee, are open only to its members and to the Secretariat. However, in exceptional circumstances, the Chairman of the Committee may invite other persons to attend. Such persons must respect the confidential nature of the work of the Committee.

(2) The Secretariat will in each matter referred to arbitration under the Rules retain in the archives of the Committee all awards, terms of reference, and decisions of the Committee as well as copies of the pertinent correspondence of the Secretariat.

(3) Any documents, communications or correspondence submitted by the parties or the arbitrators may be destroyed unless a party or an arbitrator request in writing within a period fixed by the Secretariat the return of such documents. All related costs and expenses for the return of those documents shall be paid by such party or arbitrator.

(4) The Chairman and the members of the Secretariat of the Committee may not act as arbitrators or as counsel in matters referred to arbitration.

(5) The Committee shall not appoint members of the Committee as arbitrators. They may, however, be proposed for such duties by one or more of the parties, or, pursuant to any other procedure agreed upon by the parties, subject to confirmation by the Committee.

(6) When the Chairman, a Vice-Chairman or a member of the Committee is involved in any capacity whatsoever in proceedings pending before the Committee, such person must inform upon becoming aware of such involvement.

(7) Such person must refrain from participating in the discussions or in the decisions of the Committee concerning the proceedings and must be absent from the Committee meeting room whenever the matter is considered.

(8) Such person will not receive any material documentation or information pertaining to such proceedings.

(9) The Committee shall have a Secretary who shall have the authority to carry out the day-to-day operations of the Committee. In case of absence, the Secretary may delegate the authority to confirm arbitrators, to certify true copies of awards and to request the payment of a provisional advance, respectively provided for in Articles 19.8.2, 19.26.3. and 19.28.1 of the Rules to any member of the Committee.

(10) The Secretariat may, with the approval of the Committee, issue notes and other documents for the information of the parties and the arbitrators, or as necessary for the proper conduct of the arbitral proceedings.

(11) The Committee shall review the performance of the arbitrators annually and submit the review report to the Board of depository.

APPENDIX - III
ARBITRATION FEES, EXPENSES AND COSTS

(1) The Arbitral Tribunal shall be entitled to allow fees and expenses of witnesses, expenses connected with the examination of documents, charges, conveyance, hire, cost of legal or technical advice or proceedings in respect of any matter arising out of the arbitration incurred by the arbitration tribunal, and any other incidental expenses and charges in connection with or arising out of the reference or award as the arbitration tribunal may, in its absolute discretion think fit.

(2) The costs of the reference and the award including charges, fees and other expenses shall be the discretion of the Arbitral Tribunal, which may, direct to and by whom, and in what proportion, such charges, fees and other expenses and any, part thereof shall be borne and paid, and may fix and settle the amount of costs to be so paid or any part thereof and may award costs to be paid as between the parties. In the event, any administrative fees and expenses are due to the Executive Committee, the Arbitral Tribunal may, award them in favour of the Executive Committee.

(3) The fees, costs and expenses incidental to the reference and the award shall include the following:

(a) Application Fee

A non-refundable application fee of Rs. 1000/- shall be payable by Claimant along with the application for reference.

(b) Administrative Fee and Arbitrator's Fee

The Administrative Fee of NSDL and Arbitrator's fee (for each arbitrator) will be fixed separately with regard to, the amount in dispute in each case, as under:

Amount of Claim / Counter Claim, whichever is higher (Rs.)	**If claim is filed within six months from the date of dispute**	**If claim is filed after six months from the date of dispute**	**If the claim is filed beyond the timeline prescribed in column 3, (only for member)**
≤ 10,00,000	1.3% subject to a minimum of Rs.10,000	3.9% subject to a minimum of Rs.30,000	Additional fee of Rs. 3,000/- per month over and above fee prescribed in column 3
> 10,00,000 - 25,00,000 ≤	Rs. 13,000 plus 0.3% amount above Rs. 10 lakh	Rs. 39,000 plus 0.9% amount above Rs. 10 lakh	Additional fee of Rs. 6,000/- per month over and above fee prescribed in

			column 3
> 25,00,000	Rs. 17,500 plus 0.2 % amount above Rs. 25 lakh subject to maximum of Rs. 30,000	Rs. 52,500 plus 0.6 % amount above Rs. 25 lakh subject to maximum of Rs.90,000	Additional fee of Rs. 12,000/- per month over and above fee prescribed in column 3

The Arbitrator Fee shall be upwardly revised to Rs.18,000 (Rupees Eighteen Thousand) per case. The additional expenses attributable to the client over and above the fee structure specified above shall be borne by the client (wherever applicable) and Depository equally. The total expense attributable to the depository participant has to be borne by the concerned depository participant.

(c) In addition to the above:

(i) Each arbitrator will be entitled to receive a Special Fee for study of the pleadings, case material, writing of the award etc. with regard to the amount in dispute in each case as under:

Upto Rs. 5 Lakhs (Rs.500,000)	Rs.1,000/- LUMPSUM
From Rs. 5 lakh one to Rs. 5 crore (Rs.5,00,001 to Rs.50,000,000)	Rs.2,000/- LUMPSUM
Rs. 5 crore one and above (Rs.50,000,001 and above)	Rs.5,000/- LUMPSUM

(ii) NSDL may at its discretion charge an additional Special Fee of Rs.1000/- per hearing from each of the Parties to arbitration, for providing facilities in terms of hardware viz,. computer, scanner printer, etc., and required software at the arbitration hearing. Provided that such discretion shall be based on the number of hearings conducted, extent of use of facilities and such other criteria.

(iii) In case award amount is more than Rs. 50 lakhs (Rs. Fifty lakhs), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if desired by any of the party involved. The additional statutory cost for arbitration, if any, to be borne by party desirous of shifting the place of arbitration.

(4) Notwithstanding anything contained herein, Committee may prescribe the Arbitrator's fees and the Administrative fees of NSDL at a figure higher than those prescribed herein, in exceptional circumstances and if the Committee is of the opinion that such increase in fees is necessary.

(5) Where two or more applications for arbitration are received by the Committee and the issues involved in the dispute arise out of same transactions, and the Committee

thinks it proper to and with the consent of all the relevant parties, fix the hearings of the disputes to be heard jointly or refer the applications to the same Arbitral Tribunal, the Arbitrator's fee and the Administrative fee of NSDL shall be fixed by computing the fee applicable to the larger claim in addition to 60% of the applicable fees of all claims being tried jointly. Provided that the Committee shall have the power to prescribe the Arbitrator's Fee and Administrative Fee under this Sub-Rule in any other manner, having regard to the nature and facts of the matters under reference.

(6) The cost to be incurred on payment of travelling expenses to an arbitrator nominated by a party will be borne and paid by the party nominating the arbitrator. It will be the responsibility of the party nominating the arbitrator for reimbursement of any enhanced expenses for attending the arbitration hearing. The expenses payable to the third arbitrator or sole arbitrator will be borne and paid by both the parties in equal proportion or in such other manner as may be determined by the Arbitral Tribunal.