Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2024/326   **June 14, 2024**

INTRODUCTION OF REJECTION REASON FOR
PLEDGE AND UNPLEDGE REQUEST

DPs are advised to refer CDSL communique **CDSL/OPS/DP/POLCY/2024/314 dated June 07, 2024**, regarding revised file format due to introduction of a new field 'Rejection Reason Code' to capture the reason for cases where pledge and unpledge request is rejected in the system.

In view of the above, DPs are required to make a note of the following points and make a provision of the same in the back-office, if required so. .

1) The Pledgor/Pledgee DP while rejecting the Pledge / Re-pledge / Unpledge request for **'Normal Pledge', 'Margin Pledge (from BO to TM/CM)', 'Margin re-pledge (from TM to CM)' and Margin Funding Pledge** will mandatorily be required to select appropriate reason code in the system.

2) Providing the Rejection Reason will be **mandatory** at the time of rejecting the request as mentioned above failing which pledge / unpledge rejection would not be considered for further processing.

3) DPs may select (applicable in case of online rejection in WebCDAS) or provide (applicable in case of rejecting pledge / unpledge through upload) any one of the below mentioned reason codes while rejecting the pledge, re-pledge, unpledge request mentioned in point 1 above.

Rejection Reason Code	Rejection Reason Code Description
01	Units not available for Amount requested
02	Closure Date not accepted
03	Pledged Quantity not accepted
04	ISIN not accepted
05	Security details not acceptable
06	ISIN delisted from Trading
07	POA not received from all holders
08	Holders not acceptable to the pledgee
09	Agreement no. differs from that on the agreement
10	Others
11	Transfer Quantity not accepted
12	Violation of terms of agreement

13	Closure Quantity not accepted
14	Pledged amount/margin not paid
15	Market value of the pledged ISIN is insufficient

4) DPs are also required to note the below mentioned **system level rejection** reasons (Rejected by CDSL) for below-mentioned scenarios of pledge / re-pledge / unpledge requests:

Rejection Reason Code	Rejection Reason Code Description	Applicable for Type of Pledge
16	Pledge request not verified / accepted within 15 days of creation / modification of pledge.	Normal pledge, Margin pledge to TM/CM, Margin Re-pledge to CM, Margin Funding Pledge
17	OTP authentication not provided by the client within the stipulated timeframe.	Margin Pledge & Margin Trading Funding (MTF) Pledge
18	Insufficient balance for Overdue pledge transaction	Margin Pledge & Margin Trading Funding (MTF) Pledge

5) The Rejection Reason for all the above-mentioned Pledge/Unpledge request will be reflected in **DP57** report, **DP36** report and **DP37** report.

DPs are required to note that the above-mentioned changes are scheduled for live release on **July 12, 2024** to make it effective from **July 13, 2024.**

DPs are once again requested to note that post implementation, rejection of pledge / re-pledge / unpledge will not be possible without valid Rejection Reason.

DPs are required to note that changes in the DP57 report will be reflected effective July 13, 2024, however, changes in DP36 and DP37 report will be released at a later date and the same will be informed separately.

DPs are advised to take note of the above-mentioned points and initiate suitable changes in their back office, if any.

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Queries regarding this communiqué may be addressed to:

- ❑ **CDSL – Settlement Desk** on (022) 6234-3565, 6234-3566, , 6234-3567, 6234-3571, 6234-3572 or 6234-3573. Emails may be sent to: operations@cdslindia.com.

- ❑ **CDSL – Helpdesk** Emails may be sent to: dprtasupport@cdslindia.com and telephone number (022) 6234-3333.

For and on behalf of
Central Depository Services (India) Limited

sd/-

Shelton Joseph
Asst. Vice President – Operations