

## **INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER**

This document contains the contents in main Charter mapped with the same superscript.

### **Para 4 (2) of Investor Charter**

#### **Point 1: Value Added Services**

- a. **Basic Services Demat Account (BSDA)** : The facility of BSDA with limited services was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. In order to further boost participation in securities market, ease of doing investments the facility has been comprehensively reviewed by regulators and depositories

An individual shall be eligible to opt for BSDA subject to the following conditions:

- a) The individual has or proposes to have only one demat account where he/she is the sole or first holder.
- b) The individual shall have only one BSDA in his/her name across all depositories.
- c) Value of securities held in the demat account shall not exceed Rs 10 Lakhs for debt and other than debt securities combined at any point of time

#### **The charge structure shall be as indicated below:**

Value of Holdings in the Demat Account (Debt as well as other than debt securities combined)	Maximum Annual Maintenance Charges
Up to Rs 4 lakhs	NIL
More than Rs 4 lakhs but up to Rs 10 lakhs	Rs 100
More than Rs 10 lakhs	Not a BSDA. Regular AMC may be levied

#### **Services for Basic Services Demat Accounts**

- a) Electronic statements shall be provided free of cost.
  - b) Physical statement may be charged at a fee not exceeding Rs 25/- per statement.
  - c) All other conditions as applicable to regular demat accounts, other than the ones mentioned above, shall continue to apply to basic services demat account.
- b. Transposition cum dematerialization<sup>2</sup>: In case of transposition-cum-dematerialisation, client can get securities dematerialised in the same account if the names appearing on the certificates match with the names in which the account has been opened but are in a different order. The same may be done by submitting the security certificates along with the Transposition Form and Demat Request Form.
- c. Linkages with Clearing System<sup>3</sup> for actual delivery of securities to the clearing system from the selling brokers and delivery of securities from the clearing system to the buying broker.

### Point 3: Digitization of services provided by the depositories

- a. E-account opening<sup>4</sup>: Account opening through digital mode, popularly known as “On -line Account opening”, wherein investor intending to open the demat account can visit DP website, fill in the required information, submit the required documents, conduct video IPV and demat account gets opened without visiting DPs office.
- b. Online instructions for execution<sup>5</sup>: internet-enabled services like Speed-e (NSDL) & Easiest (CDSL) empower a demat account holder in managing his/her securities ‘anytime -anywhere’ in an efficient and convenient manner and submit instructions online without the need to use paper. These facilities allows Beneficial Owner (BO) to submit transfer instructions and pledge instructions including margin pledge from their demat account. The instruction facilities are also available on mobile applications through android, windows and IOS platforms.
- c. e-DIS / Demat Gateway<sup>6</sup>: Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client shall be required to authorize each e-DIS valid for a single settlement number / settlement date, by way of OTP and PIN/password, both generated at Depositories end. Necessary risk containment measures are being adopted by Depositories in this regard.
- d. e-CAS facility<sup>7</sup>: Consolidated Account Statements are available online and could also be accessed through mobile app to facilitate the investors to view their holdings in demat form.
- e. Miscellaneous services<sup>8</sup>: Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

Offline Mode 9 : Addittional Info 5b  
Query / Complaint form – for Depository Services

Date: \_\_\_\_\_

Name of the Investor: \_\_\_\_\_

Demat Account no: DP ID: IN \_\_\_\_\_; Client ID: \_\_\_\_\_ and PAN: \_\_\_\_\_ Mobile no: \_\_\_\_\_  
\_\_\_\_\_ & Email ID: \_\_\_\_\_ Type & Sub-type of \_\_\_\_\_

Query/Complaint: \_\_\_\_\_

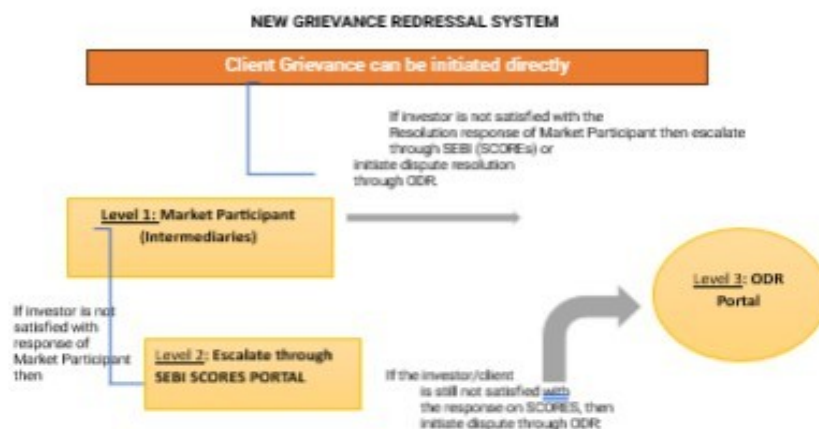
Query / Complaint in detail:

Note: For trading and broking related queries/complaints, you may approach your stockbroker or exchange, where a stockbroker is a member. Trading and broking related query and complaint doesn't fall under the purview of depository.

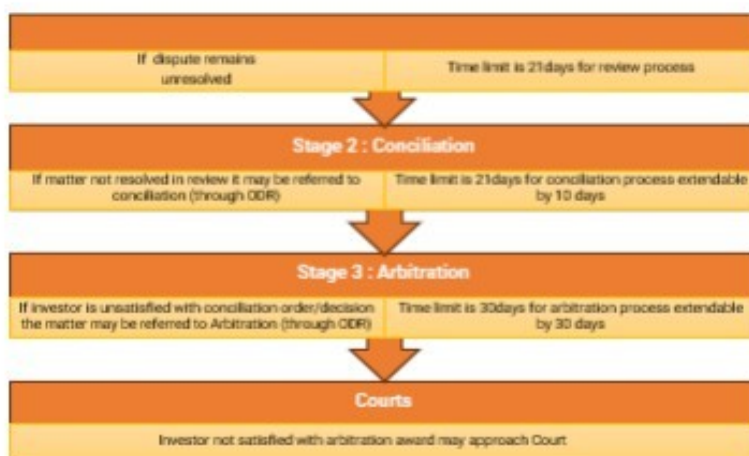
**Name and signature of Demat account holder/s**

## Para 5(2) of Investor Charter

### Illustration of New Grievance Redressal System<sup>10</sup>



#### Stages of resolution of dispute through ODR?



## **Para 7 of Investor Charter**

### **Dos and Don'ts for Investor<sup>10</sup>**

<b>Sl No.</b>	<b>Guidance</b>
1.	Always deal with a SEBI registered Depository Participant for opening a demat account.
2.	Read all the documents carefully before signing them.
3.	Before granting Power of attorney to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
4.	Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
5.	<p>Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips.</p> <p>Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders.</p> <p>Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s).</p> <p>Do not leave your instruction slip book with anyone else.</p> <p>Do not sign blank DIS as it is equivalent to a bearer cheque.</p>
6.	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
7.	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
8.	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
9.	Do not share password of your online trading and demat account with anyone.

SI No.	Guidance
10	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
11	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
12	Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
13	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at <a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a>
14	Keep a record of documents signed, DIS issued and account statements received.
15	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
16	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
17	Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
18	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
19	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
20	Beware of assured/fixed returns.

### **Para 8 of Investor Charter**

#### **Rights of investors<sup>11</sup>**

- i. Receive a copy of KYC, copy of account opening documents.
- ii. No minimum balance is required to be maintained in a demat account.
- iii. No charges are payable for opening of demat accounts.
- iv. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.
- v. You can open more than one demat account in the same name with single DP/ multiple DPs.
- vi. Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the

- matter with the Depositories.
- vii. Pledge and /or any other interest or encumbrance can be created on demat holdings.
  - viii. Right to give standing instructions with regard to the crediting of securities in demat account.
  - ix. Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.
  - x. In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
  - xi. Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which Depositories have developed an internet based 'e- Voting' platform.
  - xii. Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.
  - xiii. Right to indemnification for any loss caused due to the negligence of the Depository or the participant.
  - xiv. Right to opt out of the Depository system in respect of any security.

### **Para 9 of Investor Charter**

#### **Responsibilities of Investors<sup>12</sup>**

- 1.) Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- 2.) Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.
- 3.) Read all documents and conditions being agreed before signing the account opening form.
- 4.) Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.

- 5.) Always mention the details like ISIN, number of securities accurately.
- 6.) Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- 7.) Regularly verify balances and demat statement and reconcile with trades / transactions.
- 8.) Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- 9.) Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

10      **Code of Conduct for Depositories ( Part D of Third Schedule of SEBI ( D & P ) regulations , 2018 )**

A Depository shall:

- (a) always abide by the provisions of the Act, Depositories Act, 1996, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.
- (b) adopt appropriate due diligence measures.
- (c) Take effective measures to ensure implementation of proper risk management framework and good governance practices.
- (d) take appropriate measures towards investor protection and education of investors.
- (e) treat all its applicants/members in a fair and transparent manner.
- (f) promptly inform the Board of violations of the provisions of the Act, the Depositories Act, 1996, rules, regulations, circulars, guidelines or any other directions by any of its issuer or issuer's agent.
- (g) take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of depository's systems and the securities market.
- (h) endeavor for introduction of best business practices amongst itself and its members.
- (i) act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
- (j) not indulge in unfair competition, which is likely to harm the interests of any other Depository, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.
- (k) segregate roles and responsibilities of key management personnel within the depository including



- a. Clearly mapping legal and regulatory duties to the concerned position
  - b. Defining delegation of powers to each position
  - c. Assigning regulatory, risk management and compliance aspects to business and support teams
- (l) be responsible for the acts or omissions of its employees in respect of the conduct of its business.
- (m) monitor the compliance of the rules and regulations by the participants and shall further ensure that their conduct is in a manner that will safeguard the interest of investors and the securities market.

## **11.Code of Conduct for Participants**

### **(Part A of Third Schedule of SEBI (D & P) regulations, 2018)**

1. A participant shall make all efforts to protect the interests of investors.
2. A participant shall always endeavour to—
  - (a) render the best possible advice to the clients having regard to the client's needs and the environments and his own professional skills;
  - (b) ensure that all professional dealings are effected in a prompt, effective and efficient manner;
  - (c) inquiries from investors are adequately dealt with;
  - (d) grievances of investors are redressed without any delay.
3. A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.
4. A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialisation request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.
5. A participant shall endeavour to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.
6. A participant shall not increase charges/fees for the services rendered without proper advance notice to the beneficial owners.
7. A participant shall not indulge in any unfair competition, which is likely to harm the interests of other participants or investors or is likely to place such other participants in a disadvantageous position while competing for or executing any assignment.
8. A participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
9. A participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
10. A participant shall co-operate with the Board as and when required.
11. A participant shall maintain the required level of knowledge and competency and abide by the provisions

of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.

12. A participant shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.
13. A participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
14. A participant shall ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, Rules, regulations, directions of the Board or of any other regulatory body.
15. A participant shall maintain proper inward system for all types of mail received in all forms.
16. A participant shall follow the maker—Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.
17. A participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.
18. A participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
19. A participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.
20. A participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.
21. A participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.
22. A participant shall ensure that good corporate policies and corporate governance are in place.

## **12. FAQ – Processing of Investor claims (NSDL)**

### **1. Who can lodge the claim with the DP?**

The legitimate claim may be lodged by the demat account holder with the Depository Participant where his /her demat account is held only if the demat account holder has suffered a loss due to fraud or negligence in providing depository service by the Depository Participant.

### **2. What is the process for lodging of claim?**

The demat account holder shall submit the request for claim in writing for loss suffered due to fraud or deficiency in providing depository related services by the DP explaining the incident and provide the reason for claim.

### **3. What information / documents do I need to submit in the claim application form?**

The demat account holder may submit copy of following documents.

- a) Incident Note describing the incident.
- b) Statement of Claim
- c) Details of estimated loss
- d) FIR copy, (needed in case of crimes such as frauds, infidelity of employees etc.)

### **4. What is the time limit for lodging of claims with the Depository Participant?**

The claim needs to be lodged in writing by the demat account holder within T+ 30 days where T – denotes the date of discovery of incident resulting into loss.

### **5. How should demat account holder lodge a claim?**

The claim may be lodged manually by the demat account holder along with the relevant documents required and submitted to the Depository Participant.

### **6. Can a claim be directly lodged with NSDL?**

The claim needs to be submitted to the Depository Participant where the demat account is held to verify the claim and scrutinise by the Depository Participant.

### **7. What is the role of depository participant?**

The DP will review and analyse the claim to understand the loss and assess its admissibility. If the DP, after verification of claim and supporting documents received from the demat account holder finds the claim as legitimate, then the DP may submit the claim with its recommendation with NSDL for further processing. If the DP, after verification of claim and supporting documents received from the demat account holder finds the claim as legitimate, then the DP may submit the claim with its recommendation with NSDL for further processing.

8.Can demat account holder lodge a claim for transactions executed on another depository and not NSDL?

The demat account holder will have to lodge claim only for those transaction executed through NSDL Depository Participant. If transaction are executed on another depository, then he/she will have to get in touch with the respective Depository.

9. How can demat account holder know the status of my claim?

The demat account holder may write / reach out to the depository participant where the claim is lodge to know the claim status.

10.What is the role of NSDL?

NSDL scrutinises the claim with supporting documents received from DP and verifies the required documents as per NSDL Circular and carries out preliminary analysis of the incident report to understand the loss and assess its admissibility if possible. In case, any clarification or additional documents are required, NSDL will accordingly inform the DP to provide the same within a period of 120 days of lodging of claim.

11.What is the process for settlement of claims under beneficial owner insurance policy?

After assessment by NSDL, if the claim of demat account holder is found legitimate, then NSDL will further submit the claim with the insurance company for further processing settlement of claim from the Business Risk insurance policy. In case, the insurance company requires clarification or further documents, then NSDL will inform the same to the DP. The insurance company, after processing the claim and if satisfied, may settle the claim by releasing payment to NSDL.

12.What is the procedure for intimation of claim?

In the event the insurance company refuses to settle the claim ("Unsettled Claim"), then such Unsettled Claim (upto a maximum limit of Rs. 10 lacs) can be settled under the NSDL IPF Trust provided that such claim is legitimate. If the claim is rejected by the insurance company, then NSDL will inform the DP accordingly and DP will accordingly intimate the same to the demat account holder within a period of 180 days of claim.