Investor Charter for Depositories and Depository Participants

1. Vision

Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.

2. Mission

- To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
- To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
- To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.

3. Details of business transacted by the Depository and Depository Participant (DP)

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP).

Details available on the
links: https://nsdl.co.in/dpsch.php, https://www.cdslindia.com/DP/Services.html

4. Description of services provided by the Depository through Depository Participants (DP) to investors

(1) Basic Services

Basic Services and Expected Timelines for Depository Participants

Sr. No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
1	Dematerialization of securities	7 days
2	Rematerialization of securities	7 days
3	Mutual Fund Conversion / Destatementization	5 days
4	Re-conversion / Restatementisation of Mutual fund units	7 days
5	Transmission of securities	7 days

Basic Services and Expected Timelines for Depository Participants

Sr. No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
6	**Registering pledge request**	**15 days**
7	Closure of Demat account	2 days
8	Settlement Instruction	For T+1 settlements, participants shall accept instructions from the clients, in physical form up to 4 p.m. (In case of electronic instructions up to 6:00 p.m.) on T-day for pay-in of securities. For T+0 Day settlements, participants shall accept EPI instructions from the clients, till 11:00 AM on T-day. Note – 'T' refers 'Trade Day'

(2) Special Services

Special Services Offered by the Depository Participant

Sr. No.	Type of Activity / Service	Brief about the Activity / Service
1	Value Added Services	Depositories also provide value added services such as: Basic Services Demat Account (BSDA), Transposition cum dematerialization, Linkages with Clearing System, Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, Demat of NSC/KVP, Demat of warehouse receipts etc.
2	Consolidated Account Statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
3	Digitalization of services provided by the depositories	Depositories offer technology solutions and e-facilities to their Demat account holders through DPs: E-account opening, Online instructions for execution, e-DIS / Demat Gateway, e-CAS facility, Miscellaneous services (Transaction alerts via SMS, e-locker facilities, chatbots etc.)

5. Details of Grievance Redressal Mechanism

(1) The Process of investor grievance redressal

1. Investor Complaint / Grievances

Investor can lodge complaint/grievance against the Depository/DP in the following ways:

a. Electronic mode —

i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI) — https://scores.sebi.gov.in/
   Two level Review for complaint/grievance against DP:
   - First review done by Designated Body
   - Second Review done by SEBI

ii. Respective Depository's web portal dedicated for the filing of complaint:
   - NSDL: https://investor.nsdl.com/portal/en/home
   - CDSL: https://www.cdslindia.com/Footer/grievances.aspx

iii. Emails to designated email IDs of Depository:
   - NSDL: relations@nsdl.com
   - CDSL: complaints@cdslindia.com

b. Offline mode — Physical complaint can be filed.

The complaints/grievances lodged directly with the Depository shall be resolved within 21 days.

2. Online Dispute Resolution (ODR) Platform for online Conciliation and Arbitration

If the Investor is not satisfied with the resolution provided by DP or other Market Participants, then the Investor has the option to file the complaint/grievance on SMARTODR platform for its resolution through online conciliation or arbitration.

3. Steps to be followed in ODR for Review, Conciliation and Arbitration

- Investor to approach Market Participant for redressal of complaint.
- If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal.
- Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.
- Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the Market Participant and investor within 21 days.
- If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter for conciliation.
- During the conciliation process, the conciliator will endeavour for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator.
- If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.
- The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days.
-

6. Guidance pertaining to special circumstances: Termination of the Depository Participant

Account Termination and Closure Guidelines

Sr. No.	Type of special circumstances	Timelines for the Activity / Service
1	Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges. OR Participant surrenders the participation by its own wish.	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.

7. Dos and Don'ts for Investors

DOs

1. Always deal with a SEBI registered Depository Participant for opening a demat account.
2. Read all the documents carefully before signing the account opening form.
3. Before granting Power of Attorney / Demat Debit and Pledge Instruction (DDPI) to the stockbroker, carefully examine the scope and implications of powers being granted.
4. 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 blank DIS slips.
5. Always verify and match the details mentioned in the DIS before signing it.
6. Always mention the details like ISIN, number of securities accurately.
7. In case of any discrepancies in the holding statement, contact your DP immediately.
8. Always keep copies of documents you have sent to DP, exchange, company/registrar for any references.
9. Inform any change in your personal details (for example address or bank account details, email ID, mobile number) linked to your demat account to DP immediately.
10. Monitor your demat account statement periodically to verify that your account reflects your transactions correctly.

DON'Ts

1. Do not share your personal details (such as Client ID, Login ID, Password) with any person or entity.
2. Do not fall prey to any fraudulent calls/emails/messages.
3. Do not ignore any emails / SMSs received with regard to demat transactions, from your DP or Depository, and raise a concern, if discrepancy is observed.
4. Do not share your OTP with anyone.

8. Rights of Investors

i. Receive a copy of all account forms, agreements and other related documents from the DP.
ii. Receive a copy of the Rights and Obligations document.
iii. Receive statement of accounts periodically.
iv. Receive transaction statements.
v. Receive intimation regarding any corporate actions and benefits.
vi. Right against any Unauthorized transactions from the DP in your Demat account.
vii. Receive proper reason for any rejection of demat/remat request.
viii. Ask for proper reasons for any shortcomings, deficiencies, or delays from the DP.
ix. Lodge a complaint/grievance with the DP and Depository for any discrepancies or issues.
x. Be compensated from the DP in case of any loss caused due to the negligence of the DP.
xi. Receive timely information regarding changes in the tariff structure and other charges.
xii. Not be charged more than the maximum charges prescribed by the Depository. The tariff/charges 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.

9. Responsibilities of Investors

i. Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
ii. 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.
iii. Read and understand the contents of all the documents before executing them.
iv. Verify the details in the transaction / holding statement carefully and report discrepancies, if any, to the DP within the stipulated time.
v. Ensure that the DIS book is received by the account holder from the DP only.
vi. Ensure to sign a DDPI if choosing to authorise the DP/broker for debiting the demat account.
vii. Keep information relating to the demat account secure and confidential. Do not disclose your User ID, Password, OTP to any other person.
viii. Keep copies of all documents submitted with the DP for future reference.
ix. Inform the DP immediately in case of any change in personal details.

10. Code of Conduct for Depositories

a. A depository shall make all efforts to protect the interests of investors.

b. A depository shall establish adequate procedures and systems to ensure that its records are maintained in a secure manner.
c. A depository shall ensure that integrity of the automatic data processing systems is maintained at all times.
d. A depository shall ensure that the interests of the persons buying and selling securities held in depository are adequately protected.
e. A depository shall provide adequate and timely assistance to the investors.
f. A depository shall indemnify beneficial owners of securities for any loss caused to them due to negligence of the depository or its participant.
g. A depository shall resolve any complaints, differences or claims arising out of depository activities/operations within the stipulated time as provided under rules, regulations, circulars, guidelines or any other directions by any of its issuer or issuer's agent.
h. Take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of depository's systems and the securities market.
i. Endeavor for introduction of best business practices amongst itself and its members.
j. Act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
k. Put in place appropriate governance arrangements, including robust risk management, in order to ensure compliance with regulatory requirements. 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.

11. Code of Conduct for Participants

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 environment and his own professional skills;
    b. ensure that all professional dealings are effected in a prompt, effective and efficient manner.
3. A Participant shall not place its interest above those of its clients.