RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER & DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI & STOCK EXCHANGES

A. General Clause:

1. The Beneficial Owner (BO) and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars / Notifications / Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a (BO) in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

B. Beneficial Owner Information:

3. The DP shall maintain all the details of the (BO)(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the (BO) confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The (BO) shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

C. Fees/Charges/Tariff:

5. The (BO) shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the (BO) that "*no charges are payable for opening of demat accounts*".
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the (BO) regarding the same.

D. Dematerialization:

8. The (BO) shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

E. Separate Accounts:

9. The DP shall open separate accounts in the name of each of the (BO)s and securities of each (BO) shall be segregated and shall not be mixed up with the securities of ther (BO)s and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the (BO) to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018 and Bye- Laws/Operating Instructions/Business Rules of the Depositories.

F. Transfer of Securities:

11. The DP shall effect transfer to and from the demat accounts of the (BO) only on the basis of an order, instruction, direction or mandate duly authorized by the (BO) and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The (BO) reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.
13. The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

G. Statement of Account:

14. The DP shall provide statements of accounts to the (BO) in such form and manner and at such time as agreed with the (BO) and as specified by SEBI/depository in this regard.
15. However, if balance has become Nil during the year, the DP shall send one holding statement annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account. In case of accounts with credit balance but no transactions during the year, half yearly statement of holding for the year shall be sent to the BO through email.
16. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the (BO) so desires. The DP will furnish to the (BO) the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
17. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

H. Manner of Closure of Demat Account:

18. The DP shall have the right to close the demat account of the (BO), for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the (BO) as well as to the Depository. Similarly, the (BO) shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the (BO) shall specify whether the balances in their demat account should be transferred to another demat account of the (BO) held with another DP or to rematerialize the security balances held.
19. Based on the instructions of the (BO), the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of 2 working days as per procedure specified from time to time by the depository. incase of no outstanding dues and in case of outstanding dues, shall provide 30 days notice. In case of non-payment of dues, DP shall reject the account closure request and in case the dues are cleared by BO, respective account shall be closed by DP within 2 working days of clearing the dues. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the (BO) or the DP and shall continue to bind the parties to their satisfactory completion.

I. Default in Payment of Charges:

20. In event of (BO) committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the (BO), the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
21. In case the (BO) has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the (BO) shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

J. Liability of the Depository:

22. As per Section 16 of Depositories Act, 1996,

1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the (BO) due to the negligence of the depository or the participant, the depository shall indemnify such (BO).
2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository,the depository shall have the right to recover the same from such participant.

K. Freezing/ Defreezing of Accounts:

23. The (BO) may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
24. The DP or the Depository shall have the right to freeze/defreeze the accounts of the (BO)s on receipt of instructions received from any regulator or court or any statutory authority.
25. The Joint holders are aware that in case of any Statutory Order for freezing any one joint holder, the demat account will be frozen and the other joint holders will have to obtain a specific Order for unfreezing their percentage of joint ownership by submitting the relevant documentary proof to the Order issuing authority.
    We have Joint account opening in our plans and will update as soon as there is any further development on this.

L. Redressal of Investor Grievance:

26. DP shall redress all grievances of the (BO) against the DP within a period of thirty days from the date of receipt of the complaint.

M. Redressal of Investor Grievance:

27. If the (BO) is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

N. Authorized representative

28. If the (BO) is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

O. Law and Jurisdiction:

29. In addition to the specific rights set out in this document, the DP and the (BO) shall be entitled to exercise any other rights which the DP or the (BO) may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
30. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the (BO) maintains his/ her account, that may be in force from time to time.
31. The (BO) and the DP shall abide by the arbitration and conciliation procedure prescribed under the Byelaws of the depository and that such procedure shall be applicable to any disputes between the DP and the (BO).
32. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI
33. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients \ at once.
34. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the (BO) maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.