# INVESTOR CHARTER – DEPOSITORY PARTICIPANTS

## 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.

## MISSION

i) To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.

ii) To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.

iii) 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.

## 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). You may find the details of A.K. Stockmart Private Limited as DP on CDSL [Central Depository Services (India) Limited] and NSDL [National Securities Depository Limited] web portal on the link https://www.cdslindia.com/DP/dplist.aspx and https://nsdl.co.in/dpsch.php respectively.

## DESCRIPTION OF SERVICES PROVIDED BY THE DEPOSITORY THROUGH DEPOSITORY PARTICIPANTS (DP) TO INVESTORS

### (1) Basic Services

| S. 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 |
| 6 | Registering pledge request | 15 days |
| 7 | Closure of demat account | 30 days |
| 8 | Settlement Instruction | Depositories to accept physical DIS for pay-in of securities upto 4 p.m and DIS in electronic form upto 6 p.m on T+1 day |

**(2) Depositories provide special services like pledge, hypothecation, internet based services etc. in addition to their core services and these include**

| S. No. | Type of Activity /Service | Brief about the Activity / Service |
|---|---|---|
| 1 | Value Added Services | Depositories also provide value added services such as<br>a. Basic Services Demat Account (BSDA)*<br>b. Transposition cum dematerialization*<br>c. Linkages with Clearing System*<br>d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs 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 below technology solutions and e-facilities to their demat account holders through DPs:<br>a. E-account opening^<br>b. Online instructions for execution^<br>c. e-DIS / Demat Gateway^<br>d. e-CAS facility^<br>e. Miscellaneous services* |

**We are providing these services in offline mode. Further, the term(s) are defined in Annexure – A, annexed to this Charter.*

*^We are not providing these services through online mode. However, account opening, instruction of execution, DIS facilities, closure of accounts and modification in the account are carried out through offline mode or through email(s) to the extent possible. Further, the term(s) are defined in Annexure – A, annexed to this Charter.*

## DETAILS OF GRIEVANCE REDRESSAL MECHANISM

**(1) The Process of investor grievance redressal**

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|---|---|---|
| 1 | Investor Complaint/ Grievances | Investor can lodge complaint/ grievance against the Depository/ DP in the following ways:<br>a. Electronic mode -<br>i. SCORES (a web based centralized grievance redressal system of SEBI) https://www.scores.gov.in/scores/Welcome.html<br>ii. Respective Depository's web portal dedicated for the filing of compliant; |

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|---|---|---|
| | | For CDSL: https://www.cdslindia.com/Footer/grievances.aspx and For NSDL: https://www.epass.nsdl.com/complaints/websitecomplaints.aspx<br>iii. Emails to designated email IDs of Depository; For CDSL: complaints@cdslindia.com and For NSDL: relations@nsdl.co.in<br>b. Offline mode – Emails to designated email Id of A.K. Stockmart Private Limited dp@akgroup.co.in<br><br>The complaints/ grievances lodged directly with the Depository shall be resolved within 30 days. |
| 2 | Investor Grievance Redressal Committee of Depository | If no amicable resolution is arrived, then the Investor has the option to refer the complaint/ grievance to the Grievance Redressal Committee (GRC) of the Depository. Upon receipt of reference, the GRC will endeavor to resolve the complaint/ grievance by hearing the parties, and examining the necessary information and documents. |
| 3 | Arbitration proceedings | The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of the Depository in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s). |

**(2) For the Multi-level complaint resolution mechanism available at the Depositories**

Emails to designated email Id of A.K. Stockmart Private Limited dp@akgroup.co.in *(Refer Annexure – B, annexed to this Charter for more details)*

## GUIDANCE PERTAINING TO SPECIAL CIRCUMSTANCES RELATED TO MARKET ACTIVITIES: TERMINATION OF THE DEPOSITORY PARTICIPANT

| S. 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 criteriaand/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.<br>▪ 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. |

## DOS AND DON'TS FOR INVESTORS

| S. No. | Guidance |
|---|---|
| 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.<br>No payment should be made in name of employee of intermediary. |
| 5 | 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.<br><br>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.<br><br>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).<br><br>Do not leave your instruction slip book with anyone else.<br><br>Do not sign blank DIS as it is equivalent to a bearer cheque. |
| 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<br>system |
| 7 | Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository. |

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|---|---|
| 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. |
| 10 | Do not share One Time Password (OTP) received from banks, brokers, etc.<br>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<br>online at https://scores.gov.in/scores/Welcome.html |
| 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. |

## RIGHTS OF INVESTORS

1) Receive a copy of KYC, copy of account opening documents.
2) No minimum balance is required to be maintained in a demat account.
3) No charges are payable for opening of demat accounts.
4) 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 rightto revoke any authorization given at any time.
5) You can open more than one demat account in the same name with single DP/ multiple DPs.
6) 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.
7) Pledge and /or any other interest or encumbrance can be created on demat holdings.
8) Right to give standing instructions with regard to the crediting of securities in demat account.
9) 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.
10) In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
11) 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.

12) 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.

## RESPONSIBILITIES OF INVESTORS

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) Informany change in information linked to demat account and obtainconfirmation 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 demataccount.
9) Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks /securities promising huge profits.

## ANNEXURE - A

A. **Basic Services Demat Account (BSDA):** The facility of BSDA with limited services for eligible individuals was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. No Annual Maintenance Charges (AMC) shall be levied, if the value of securities holding is upto INR 50,000/-. For value of holdings between INR 50,001 to INR 2,00,000/-, AMC not exceeding INR 100/- is chargeable. In case of debt securities, there are no AMC charges for holding value upto INR 1,00,000/- and a maximum of INR 100/- as AMC is chargeable for value of holdings between INR 1,00,001/- to INR 2,00,000/-.

B. **Transposition cum dematerialization:** 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** 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.

D. **E-account opening:** 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.

E. **Online instructions for execution:** 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.

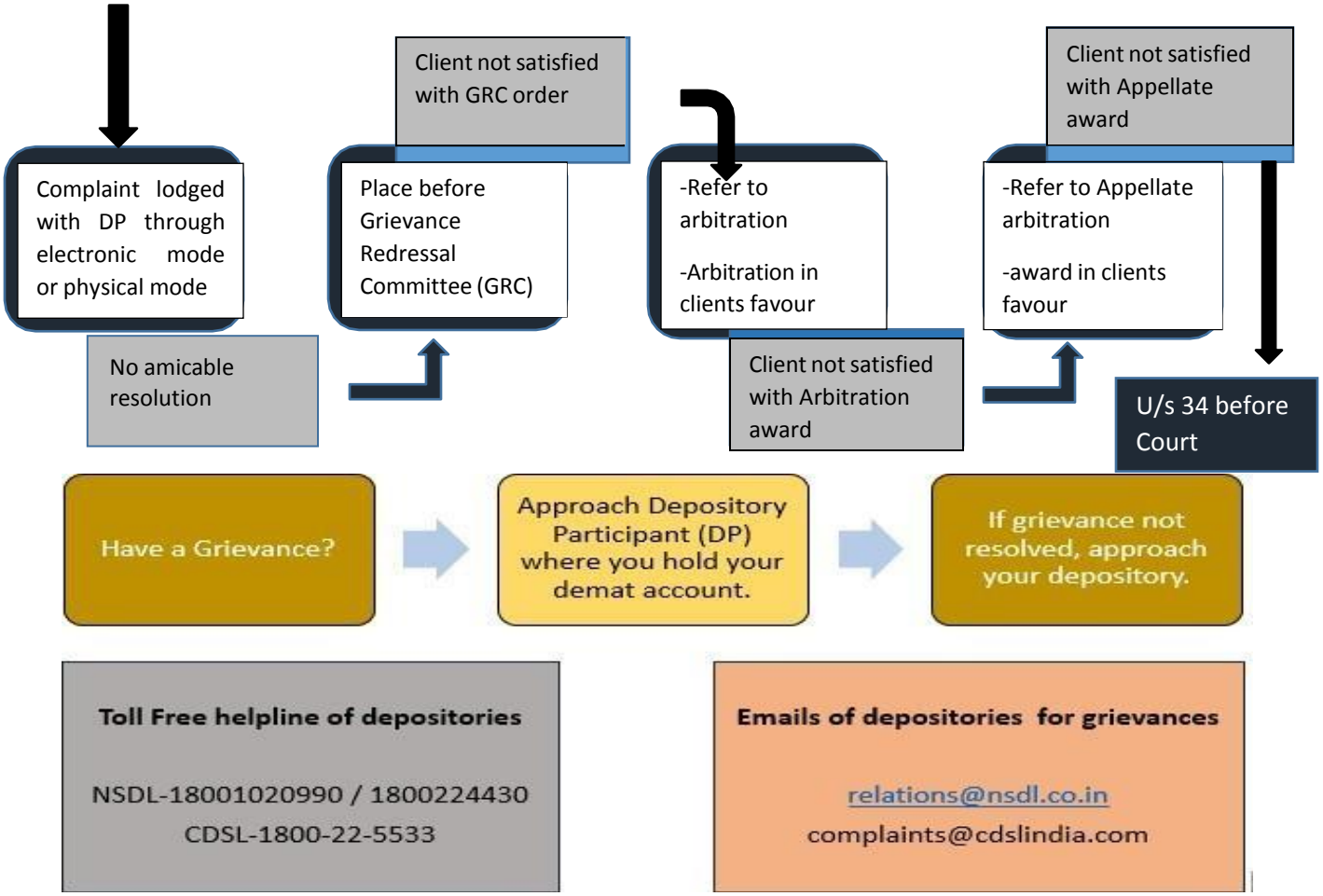
F. **e-DIS / Demat Gateway:** Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client 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.

G. **e-CAS facility:** 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.

H. **Miscellaneous services:** Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

## ANNEXURE - B

## COMPLAINT RESOLUTION PROCESS AT DEPOSITORIES




Investor Helpline Details of Depositories