

# HSB SECURITIES & EQUITIES LIMITED

## INVESTOR CHARTER FOR DEPOSITORIES AND DEPOSITORY

## ANNEXURE – B

### 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 dematerialized 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 link [<https://nsdl.co.in/dpsch.php>].

### 4. **Description of services provided by the Depository through Depository Participants (DPs) to investors**

(1) Basic Services

<b>Sr. no.</b>	<b>Brief about the Activity / Service</b>	<b>Expected Timelines for processing by The DP after receipt of proper documents</b>
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	For T+1 day 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.

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

Sr. no	Type of Activity /Service	Brief about the Activity / Service
1.	Value Added Services	Depositories also provide value added services such as a. Basic Services Demat Account (BSDA) <a href="https://www.hsbsecurities.com">https://www.hsbsecurities.com</a> b. Transposition cum dematerialization <a href="https://www.hsbsecurities.com">https://www.hsbsecurities.com</a> c. Linkages with Clearing System <a href="https://www.hsbsecurities.com">https://www.hsbsecurities.com</a> d. 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 below technology solutions and e-facilities to their demat account holders through DPs: a. Online instructions for execution: Details available on the link <a href="https://nsdl.co.in/publications/investor_charter.php">https://nsdl.co.in/publications/investor_charter.php</a> b. e-CAS facility: Details available on the link: <a href="https://nsdl.co.in/publications/investor_charter.php">https://nsdl.co.in/publications/investor_charter.php</a> c. Miscellaneous services: Back office statements to existing clients Link: <a href="https://bo.hsbsecurities.com/">https://bo.hsbsecurities.com/</a>

#### **4. Details of Grievance Redressal Mechanism**

- (1) The Process of investor grievance redressal

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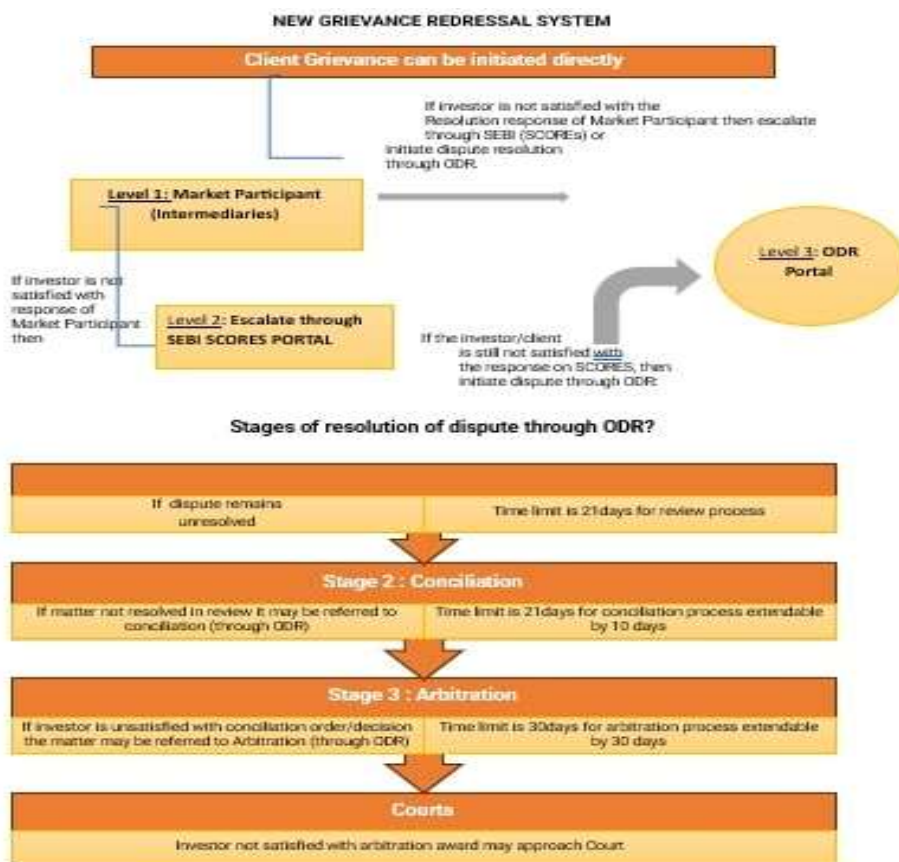
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1.	Investor Complaint/ Grievances	<p>Investor can lodge complaint/ grievance against the Depository/DP in the following ways:</p> <p>a. Electronic mode -</p> <p>(i) SCORES (a web based centralized grievance redressal system of SEBI) [<a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a>] <u>Two Level Review for complaint/grievance against DP:</u></p> <ul style="list-style-type: none"> <li>•First review done by Designated Body</li> <li>•Second review done by SEBI</li> </ul> <p>(ii)Respective Depository's web portal dedicated for the filing of complaint [<a href="https://investor.nsdl.com/portal/en/home">https://investor.nsdl.com/portal/en/home</a>]</p> <p>(iii)Emails to designated email IDs of Depository [<a href="mailto:relations@nsdl.com">relations@nsdl.com</a>]</p> <p>b. Offline mode Emails to designated email IDs of DPs : <a href="mailto:hsesecurities@gmail.com">hsesecurities@gmail.com</a> / <a href="mailto:hsesdp@gmail.com">hsesdp@gmail.com</a> Phone: 040-66510812, 040-66510814</p> <p>The complaints/ grievances lodged directly with the Depository shall be resolved within 21 days.</p>
2.	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	<p>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 by online conciliation or arbitration. [<a href="https://smartodr.in/register">https://smartodr.in/register</a>]</p>
3.	Steps to be followed in ODR for Review, Conciliation and Arbitration	<p>➤Investor to approach Market Participant for redressal of complaint</p> <p>➤If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal.</p> <p>➤Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.</p> <p>➤Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the</p>

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		<p>Market Participant and investor within 21 days.</p> <p>➤ If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter case for conciliation.</p> <p>➤ During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator.</p> <p>➤ If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.</p> <p>The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days.</p>
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(2) Illustration of New Grievance Redressal System:



**5. Guidance pertaining to special circumstances related to market activities: Termination of the Depository Participant**

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Sl No.	Type of special circumstances	Timelines for the Activity/ Service
1.	<ul style="list-style-type: none"><li>▪ 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.</li><li>▪ Participant surrenders the participation by its own wish.</li></ul>	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.

### **6. Dos and Don'ts for Investors**

For Do's and Don'ts please refer to the link: [www.hsbsecurities.com/files/pdf/Dos-and-Donts-for-Investor.pdf](http://www.hsbsecurities.com/files/pdf/Dos-and-Donts-for-Investor.pdf)

### **7. Rights of investors**

For rights, please refer to the link: [www.hsbsecurities.com/files/pdf/Rights-of-investors.pdf](http://www.hsbsecurities.com/files/pdf/Rights-of-investors.pdf)

### **8. Responsibilities of Investors**

For responsibilities, please refer to the link: [www.hsbsecurities.com/files/pdf/Responsibilities-of-Investors.pdf](http://www.hsbsecurities.com/files/pdf/Responsibilities-of-Investors.pdf)

### **9. Code of Conduct for Depositories**

For Code of Conduct for depositories, please refer to the link: [www.hsbsecurities.com/files/pdf/Code-of-Conduct-for-Depositories.pdf](http://www.hsbsecurities.com/files/pdf/Code-of-Conduct-for-Depositories.pdf)

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

For Code of Conduct for Participants, please refer to the link: [www.hsbsecurities.com/files/pdf/Code-of-Conduct-for-Participants.pdf](http://www.hsbsecurities.com/files/pdf/Code-of-Conduct-for-Participants.pdf)

### **11. IPF Policy**

For IPF, please refer to the link: [https://nsdl.co.in/downloadables/pdf/SOP\\_-\\_Procedure\\_for\\_claims\\_on\\_NSDL\\_website.pdf](https://nsdl.co.in/downloadables/pdf/SOP_-_Procedure_for_claims_on_NSDL_website.pdf)

### **12. FAQ – Processing of Investor claims**

For FAQ – Processing of Investor claims, please refer to the link: [www.hsbsecurities.com/files/pdf/FAQ\\_-\\_Processing\\_of\\_Investor\\_claims.pdf](http://www.hsbsecurities.com/files/pdf/FAQ_-_Processing_of_Investor_claims.pdf)

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### **Annexure B - INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER FOR DEPOSITORIES AND DPS**

This document contains the contents pertaining to the qualifier “[https://nsdl.co.in/publications/investor\\_charter.php](https://nsdl.co.in/publications/investor_charter.php)” in the Investor Charter main document. The same is to be made available by the Depositories on their websites and web-links to the same is to be provided for incorporation in the Investor Charter.

For reasons of convenience, the contents in main Charter and this document have been mapped with the same superscript.

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

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

a. **Basic Services Demat Account (BSDA)<sup>1</sup>:**

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 Rs. 50,000. For value of holdings between Rs 50,001-2,00,000, AMC not exceeding Rs 100 is chargeable. In case of debt securities, there are no AMC charges for holding value upto Rs 1,00,000 and a maximum of Rs 100 as AMC is chargeable for value of holdings between Rs 1,00,001 and Rs 2,00,000.

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) 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.

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- 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.

#### Para 5 (1) (b) of Investor Charter

Offline Mode:

Query / Complaint form – for Depository Services

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

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

Demat Account no: DP ID: IN \_\_\_\_\_; Client ID: \_\_\_\_\_ and

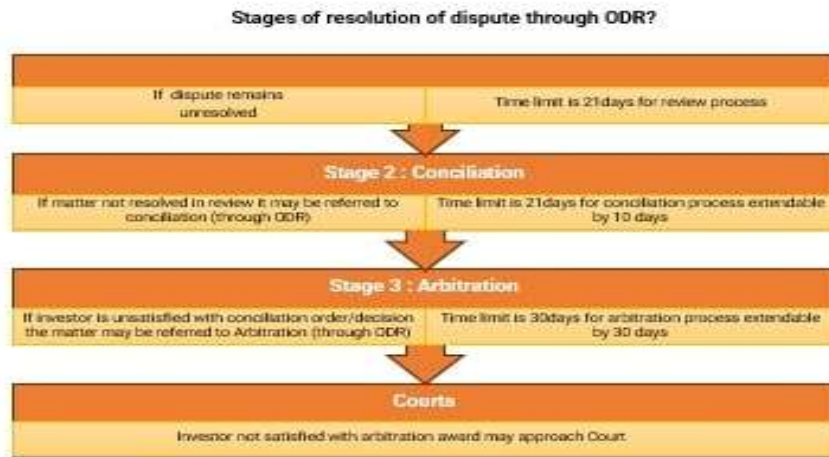
PAN: \_\_\_\_\_ Mobile no: \_\_\_\_\_ & Email ID: \_\_\_\_\_

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**



**Para 7 of Investor Charter**

Dos and Don'ts for Investor<sup>12</sup>:

Sl 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 Stockbroker, 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.



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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.	<p>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</p>
7.	<p>Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.</p>
8.	<p>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.</p>
9.	<p>Do not share password of your online trading and demat account with anyone.</p>
10.	<p>Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.</p>
11.	<p>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.</p>
12.	<p>Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.</p>
13.	<p>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.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a></p>
14.	<p>Keep a record of documents signed, DIS issued and account statements received.</p>
15.	<p>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.</p>
16.	<p>Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.</p>
17.	<p>Register for Depository's internet-based facility or download mobile app of the depository to monitor your holdings.</p>

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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>13</sup>:

- Receive a copy of KYC, copy of account opening documents.
- No minimum balance is required to be maintained in a demat account.
- No charges are payable for opening of demat accounts.
- 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.
- You can open more than one demat account in the same name with single DP/ multiple DPs.
- 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.
- Pledge and /or any other interest or encumbrance can be created on demat holdings.
- Right to give standing instructions with regard to the crediting of securities in demat account.
- 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.
- In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
  
- 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.
- 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.

**Para 9 of Investor Charter**

Responsibilities of Investors<sup>14</sup>:

- Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- 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.
- Read all documents and conditions being agreed before signing the account opening form.
- 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.
- Always mention the details like ISIN, number of securities accurately.
- Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- Regularly verify balances and demat statement and reconcile with trades / transactions.
- Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.