

RIGHTS AND OBLIGATIONS

Rights and Obligations of Beneficial Owner and Bullion Depository as prescribed by INDIA **INTERNATIONAL DEPOSITORY IFSC LIMITED**

General Clause

- 1 The Beneficial Owner and the Depository shall be bound by the provisions of the International Financial Services Centers Authority Act, 2019 (“**IFSCA Act**”), the International Financial Services Centers Authority (Market Infrastructure Institutions) Regulations, 2021 (“**MII Regulations**”), Operating Guidelines for Bullion Depositories as issued by International Financial Services Centers Authority and **International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020. (“Bullion Regulations”)** and all rules, regulations, circulars, directions, operating instructions as may be issued by the International Financial Services Centers Authority (“**IFSCA**”) from time to time and the Bye Laws and Operating Instructions issued by India International Depository IFSC Limited (“**IIDI**”) and relevant notifications of Government Authorities as may be in force from time to time.
- 2 The Depository shall open/activate Depository Account of a Beneficial Owner in the IIDI depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by IFSCA from time to time.

Beneficial Owner information

- 3 The Depository shall maintain all the details of the Beneficial Owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the Beneficial Owner 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 Beneficial Owner shall immediately notify the Depository in writing, if there is any change in details provided in the account opening form as submitted to the Depository at the time of opening the Depository Account or furnished to the Depository from time to time.

Fees/Charges/Tariff

- 5 The Beneficial Owner shall pay such charges to the Depository for the purpose of holding and transfer of Bullion in dematerialized form and for availing depository services as may be agreed to from time to time between the Depository and the Beneficial Owner as set out in the Tariff Sheet provided by the Depository.
- 6 The Depository shall not increase any charges/tariff agreed upon unless it has given a notice in writing by e- mail of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

- 7 The Beneficial Owner shall have the right to get the bullion, which have been admitted on IIDI, dematerialized in the form and manner laid down under the Bye Laws and Operating Instructions of IIDI.

Separate Accounts

- 8 The Depository shall open separate accounts in the name of each of the Beneficial Owners and bullion of each Beneficial Owner shall be segregated and shall not be mixed up with the bullion of other Beneficial Owners and/or Depository's own bullion held in dematerialized form.
- 9 The Depository shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such bullion submitted for dematerialization and/or held in Depository Account except in the form and manner prescribed in the IFSC Act, MII Regulations or Bullion Regulations or Operating Guidelines for Bullion Depositories as issued by International Financial Services Centers Authority and Bye-Laws/Operating Instructions of IIDI.

Transfer of Bullion

- 10 The Depository shall effect transfer to and from the Depository Accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the Depository shall maintain the original documents and the audit trail of such authorizations.
- 11 The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of bullion in non-individual category or its Depository Account and the Depository shall act according to such instructions.
- 12 I/we am/are confirmed that the Bullion Depository Receipt (BDR) purchased through India International Bullion Exchange IFSC Limited (IIBX) is extinguished and the Bill of Entry for the same is filed as prescribed by IFSCA and other concerned regulator from time to time. I/we also declare that I/we have complied with and will continue to comply with applicable RBI/IFSCA Regulations.

Statement of account

- 13 The Depository shall provide statements of accounts to the Beneficial Owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by IFSCA/ IIDI in this regard.
- 14 However, if there is no transaction in the Depository Account, or if the balance has become Nil during the year, the Depository shall send one physical statement of holding annually to such Beneficial Owners and shall resume sending the transaction statement as and when there is a transaction in the account.
- 15 The Depository may provide the services of issuing the statement of Depository Accounts in an electronic mode if the Beneficial Owner so desires. The Depository will furnish to the Beneficial Owner the statement of Depository Accounts under its digital signature, as governed under the Information Technology Act, 2000. However, if the Depository does not have the facility of providing the statement of Depository Account in the electronic mode, then the Participant shall be obliged to forward the statement of Depository Accounts in physical form.

Manner of Closure of Depository Account

- 16 The Depository shall have the right to close the Depository Account of the Beneficial Owner, for any reasons whatsoever, provided the Depository has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to IIDI. Similarly, the Beneficial Owner shall have the right to close his/her Depository Account held with the Depository provided no charges are payable by him/her to the Depository. In such an event, the Beneficial Owner shall specify whether the balances in their Depository Account should be transferred to another Depository Account of the Beneficial Owner held with another Depository or to rematerialize the bullion balances held.

- 17 Based on the instructions of the Beneficial Owner, the Depository shall initiate the procedure for transferring such bullion balances or rematerialize such bullion balances within a period of thirty days as per procedure specified from time to time by IIDI. Provided further, closure of Depository Account shall not affect the rights, liabilities, and obligations of either the Beneficial Owner or the Depository and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

- 18 In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 within a period of thirty days from the date of demand, without prejudice to the right of the Depository to close the Depository Account of the Beneficial Owner, the Depository may charge interest at a rate as specified by INDIA INTERNATIONAL DEPOSITORY IFSC LIMITED from time to time for the period of such default.
- 19 In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5 specified above, the Depository after giving two days' notice to the Beneficial Owner 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.

Liability of INDIA INTERNATIONAL DEPOSITORY IFSC LIMITED

- 20 As per applicable law and as provided under the Bye Laws,

19.1 Without prejudice to the provisions of any other law for the time being in force, any loss caused to the Beneficial Owner due to the negligence of IIDI, IIDI shall indemnify such Beneficial Owner.

19.2 Where the loss due to the negligence of a Depository under Clause (1) above, is indemnified by IIDI.

Freezing/ Defreezing of accounts

- 21 The Beneficial Owner may exercise the right to freeze/unfreeze his/her Depository Account maintained with the Depository in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Operating Instructions of IIDI.
- 22 The Depository shall have the right to freeze/unfreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

Redressal of Investor grievance

- 23 The Depository shall redress all grievances of the Beneficial Owner against the Depository within a period of thirty days from the date of receipt of the complaint.

Authorized representative

- 24 If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the Depository, a list of officials authorized by it and authority letter or Board resolution, who shall represent and interact on its behalf with the Depository. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Depository.

Law and Jurisdiction

- 25 In addition to the specific rights set out in this document, the Depository and the Beneficial owner shall be entitled to exercise any other rights which the Depository or the Beneficial Owner may have under the Bye Laws and Operating Instructions of IIDI and circulars/notices issued there under or rules and regulations as may be specified by IFSCA from time to time.
- 26 The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines, and circulars/ notices issued by IFSCA, and Bye-laws and Operating Instructions of IIDI, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
- 27 The Beneficial Owner shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of IIDI and that such procedure shall be applicable to any disputes between the Depository and the Beneficial Owner.
- 28 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 Bye-Laws and Operating Instructions and circulars/notices issued there under by IIDI and /or IFSCA.
- 29 Any changes in the rights and obligations which are specified by IFSCA/ IIDI shall also be brought to the notice of the clients at once.
- 30 If the rights and obligations of the parties hereto are altered by virtue of change in rules and regulations of IFSCA, or Bye-laws and/or Operating Instructions of IIDI, where the Beneficial Owner 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.

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