

Annexure A

BYE LAWS

6.5.4. CONSEQUENCES OF TERMINATION

- i. On termination of participation, the depository shall, unless as otherwise provided in the Bye Laws, cause to be returned to or make available for collection by the Participant, all collateral held by the Depository from the Participant.

Provided that the Depository shall have the right (without affecting any other rights it may have) to set off amounts due or which may become due to the Depository and Clients from the Participant, if applicable.

Provided further that the Depository shall refund such amount or amounts to the Participant after a period of three years from the date of cancellation of the certificate of registration issued by the Securities and Exchange Board of India or after resolving pending investor grievances, if any against the Participant, to the satisfaction of the Depository, whichever is later.

- ii. The termination of participation in the Depository of a Participant will not affect any rights and liabilities of the Participant arising out of matters which have taken place prior thereto and for the purpose of settlement of any such rights or liabilities of the Participant, the Depository may continue to treat the Participant as a Participant.
- iii. Without prejudice to the provisions of (i) and (ii) above, the Depository shall be entitled to set off any earlier claims or rights of the Participant against any amount due to the Depository or any other person entitled for any claim through the Depository irrespective of the fact that such counter claim has arisen after the date of termination of the Participant.
- iv. In the event of the termination of participation by the Participant or the receipt of notification to terminate, the depository shall, as soon as practicable, notify the other Participants and initiate suitable steps for protection of the interests of Client account holders with such Participant.
- v. The Depository shall notify the Participant and other Participants and the Securities and Exchange Board of India within seven days of the termination of the Participant under Bye Laws 6.5.1, 6.5.2 and 6.5.3 above. The Participant shall inform all its Clients of such termination within a period of seven days from the date on which it receives notice of such termination.
- vi. The Participant shall be required to meet all its outstanding obligations to the Depository while the Participant was acting as such and the Client shall have the option of either getting the securities held with the Participant transferred to another Participant, or get the securities

rematerialised within thirty days from the date of receipt of intimation as mentioned in Bye Law 6.5.4 (v).

- vii. In case Clients do not respond to the advise of the Participant as per Bye Law 6.5.4 (vi), the Participant may request the Depository to manage the accounts of such Clients on its behalf, on such terms and conditions as may be prescribed by the Depository, from time to time.

Provided further that the Depository may, on its own decide to manage the accounts of the clients of such Participant(s) or may nominate one or more Participants to whom such accounts shall stand transferred.

Provided that no transactions in respect of the securities in such account shall be effected until such time as the concerned Beneficial Owner shall make an application and its acceptance by the nominated Participant(s) as per Bye law 9.1.6.

Provided however that the requirement of furnishing transaction statement including statement of accounts as per Bye Law 6.4.4 will not apply to the Client accounts, decided to be managed by the Depository.

- viii. The Participant, upon cancellation of the certificate of registration by the Securities and Exchange Board of India, shall issue a public notice in one national English daily newspaper and in one vernacular daily newspaper, informing the public about the closure of its depository operations. In case of termination of operations of the Participant by the Depository, such public notice may be issued by the Depository at the cost of the Participant.