

12.16 Margin Pledge

12.16.1 For the purpose of this Rule for margin pledge, the Client, Trading Member or the Clearing Member shall be the pledgor acting in such capacity and the Trading Member, Clearing Member or the Clearing Corporation shall be the pledgee acting in such capacity.

12.16.2 The Participant of the pledgor shall request initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgor.

Provided that in case margin pledge is initiated by the Client for a specified segment, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for the same segment.

Provided further that in case the margin pledge is initiated by the Client for all segments, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for any segment.

12.16.3 The Participant of the pledgee shall request confirmation of initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgee. Alternatively, pledgee may give standing instructions to its Participant to confirm the margin pledge.

12.16.4 On receipt of the request and confirmation for initiation of margin pledge or re-pledge from the pledgor and pledgee respectively through their Participants and acceptance of margin pledge by the client by way of One Time Password confirmation on registered mobile number or registered email ID of the client or other verifiable mechanism, the Depository may create the margin pledge.

Provided that in case the client has a joint account, any one holder may accept the margin pledge on behalf of the client.

12.16.5 The Participant of the client shall request release of margin pledge on receipt of margin pledge form as laid out in Form 43 from the client. On receipt of request from the Participant for release of margin pledge, the Depository may intimate the Participant of the pledgee about the request for release.

12.16.6 The Participant of the pledgee shall release the margin pledge on receipt of margin pledge form as laid out in Form 43 from the pledgee. On receipt of request from the Participant of pledgee for release of margin pledge, the Depository may release the pledge vis-à-vis the concerned pledgee.

12.16.7 The Participant of the pledgee shall request invocation of margin pledge or re-pledge on receipt of the margin pledge form for invocation as laid out in Form 43 from the pledgee.

12.16.8 The Depository, on receipt of a request under Rule 12.16.10, shall invoke the pledge or re-pledge and amend its record accordingly to register the pledgee as a beneficial owner of the securities and shall thereafter, send intimation of the same to the Participants of the pledgor and the pledgee.

12.16.9 The aforementioned forms submitted by the pledgor and pledgee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the pledgor or pledgee before the requests on these forms are executed.

12.16.10 The Trading Member or the Clearing Member may re-pledge the securities either for the full quantity for which the margin pledge was initiated or for partial quantity and the margin pledge may be released or invoked either for full quantity or for partial quantity.

4.5. MODE OF OPERATING ACCOUNTS AND EFFECTING TRANSACTIONS BY BOOK ENTRY

4.5.3. The Participant shall not accept any instruction for debit or pledge or margin pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

16.1. RECORDS TO BE MAINTAINED BY THE PARTICIPANTS

16.1.1. Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:-

- i) Delivery/Receipt Instructions given by its Clients.
- ii) Forms submitted by the Clients to the Participant for: -
 - a) Opening of accounts with the Participant;
 - b) Closing of accounts with the Participant;
 - c) Freezing of accounts with the Participant;
 - d) Unfreezing of accounts with the Participant.
- iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM;
- iv) Record of all actions taken on the exception reports, generated by the system;
- v) A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard :-
 - a) name of the Client;
 - b) reference number of the Client;
 - c) date;
 - d) particulars of complaints;
 - e) actions taken by the Participant;

vi) if the matter is referred to arbitration, then the particulars including the present status thereof.

vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation;

viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients

ix) The forms received in respect of pledge of securities;

x) The forms received in respect of transmission of securities

xi) The forms received in respect of securities lending.

xii) Record of serial numbers of the instruction forms for debit or pledge or margin pledge or hold of securities in a Client account, issued to its Clients.

(xiii) The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant.

(xiv) The forms received in respect of hold of securities;

(xv) The forms received in respect of margin pledge of securities.

22. TERMINATION/ SURRENDER OF PARTICIPANTSHIP

22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or margin pledge or hold , with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's Expulsion passed by the Depository; or from the date of the receipt of the order of Participant's expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.