

**POLICY ON PROCESSING OF INVESTOR CLAIMS FROM
INVESTOR PROTECTION FUND**
(Version 01)

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1. Purpose of the Policy

At CDSL, we are committed to the highest levels of ethics and integrity in the way that we do business. We understand that this is crucial to our continued success and reputation. Protection of beneficial owners' interest is of paramount importance to CDSL and it is always our endeavour to enable our beneficial owners to have a hassle free experience.

This policy is formulated in accordance with SEBI Circular (No: SEBI/HO/MRD-PoD-3/P/CIR/2023/81) dated May 30, 2023 and relevant SEBI directives issued in this regard.

2. Introduction/Background of the Policy

Investor Protection Fund is set up with the objective of compensating necessary parties, promoting investor education, awareness and research etc. The Investor Protection Fund is administered by way of registered Trust created for the purpose. The Investor Protection Fund Trust is managed by Trustees comprising of Public Interest Directors, investor association representatives and Senior official of CDSL.

Vide this policy, the beneficial owners will be made aware of the process that needs to be followed for filing claims so that the process is effortless and awareness is created. This policy will lay down the timelines and bifurcation for reimbursement of claim on basis the nature of claim, which is as follows:

- i. Claim pursuant to negligence of DP/ CDSL under Section 16 of the Depositories Act, 1996
- ii. Other claims

3. Scope

This policy is applicable to all beneficial owners of CDSL i.e. investors who hold demat accounts with depository participants registered with CDSL.

This Policy should be read in conjunction with other policies, (if applicable) and the various directives / circulars issued by SEBI in the same subject matter.

4. Definitions

The definitions of some of the key terms used in this Policy are given below.

“**CDSL IPF**” means CDSL Investor Protection Fund

“**BO**” means a beneficial owner who holds a demat account with depository participant admitted with CDSL

“**CDSL**” means Central Depository Services (India) Limited

“**DP**” means depository participant admitted with CDSL

“**This Policy**” or “**Policies**” means this Policy on Processing of Investor Claims from Investor Protection Fund

5. Process for filing of claims

i. Claim pursuant to negligence of DP/ CDSL under Section 16 of the Depositories Act, 1996:

a. Submission of claim by the BO to CDSL

BO may file request for claim to CDSL in writing, explaining the details of reason for filing such claim alongwith the following documents:

- a) Statement of claim
- b) Details of estimated loss (including calculation) and supporting documents
- c) FIR Copy (if applicable)

In case of claim filed by BO with DP, the same will be forwarded by DP to CDSL.

b. Verification of documents received from BO

- a) CDSL will review and analyse the documents provided by the BO and will seek additional documents / inputs from the BO and / or the concerned DP.
- b) Post receipt, CDSL will verify the documents and claim made in accordance with applicable directives issued from time to time and in case of any deficiency in documents, the same may be sought from the DP and/or BO.
- c) CDSL after verification of claim and supporting documents received from the DP and/ or BO will determine legitimacy of the claim and will intimate the DP and/or BO and concerned parties (if any). If the claim / partial claim is not found to be legitimate, the DP and/or BO will be informed about the same along with the reason.
- d) Confirmation on claim being legitimate or not legitimate, will be intimated to the BO within 90 working days of submitting complete documents for verification by CDSL.
- e) CDSL shall take necessary action for reimbursement to the BO within 60 working days of intimation of legitimacy of claim.
- f) In case of delay in submission of documents, the period for confirmation and reimbursement may vary.

ii. In case of any other claims:

a. Submission of claim by the BO to CDSL

BO may file request for claim to CDSL in writing, explaining the details of reason for filing such claim alongwith the following documents:

- a) Statement of claim
- b) Details of estimated loss (including calculation) and supporting documents

- c) FIR Copy (in case of alleged fraud and infidelity of employee of DP)

In case of claim filed by BO with DP, the same will be forwarded to CDSL by DP.

b. Verification of documents received from BO

- a) CDSL will review and analyse the documents provided by the BO and will seek additional documents / inputs from the BO and / or the concerned DP.
- b) Post receipt, CDSL will verify the documents and claim made in accordance with applicable directives issued from time to time and in case of any deficiency in documents, the same may be sought from the DP and/or BO.
- c) CDSL after verification of claim and supporting documents received from the DP and/or BO will determine legitimacy of the claim and will intimate the DP and/or BO and concerned parties (if any). If the claim / partial claim is not found to be legitimate, the DP and/ or BO will be informed about the same along with the reason.
- d) Confirmation on claim being legitimate or not legitimate, will be intimated to the BO within 90 working days of submitting complete documents for verification by CDSL.
- e) CDSL/ DP shall take necessary action for reimbursement to the BO within 60 working days of intimation of legitimacy of claim.
- f) In case of delay in submission of documents, the period for confirmation and reimbursement may vary.

6. Reimbursement of claim amount from IPF

- a) Any claim arising out of negligence of DP/ CDSL (under Section 16 of the Depositories Act, 1996) cannot be reimbursed from CDSL IPF.
- b) Other legitimate claims filed against the DP:
 - i. In case legitimate claim amount is less than the deductibles specified in the Insurance Policy, the same may be compensated from CDSL IPF subject to maximum cap for reimbursement of the legitimate claims as approved by the governing board of CDSL.
 - ii. In case legitimate claim amount is more than the deductibles specified in the Insurance Policy, the deductible amount may be compensated from CDSL IPF subject to maximum cap for reimbursement of the legitimate claims as approved by the governing board of CDSL.
- c) In case of all other legitimate claims against CDSL, CDSL shall not seek reimbursement from CDSL IPF.

7. Miscellaneous

1. The claims received against terminated DP within the stipulated time shall be eligible for compensation from the IPF
2. The compensation limit per investor from CDSL IPF is Rs. 1,00,000/- (Rupees One Lakh Only)

8. Document Retention

All documents related to this Policy shall be retained by the Company for a minimum period of 8 years.

9. Amendment to Policy

The Trustees of CDSL IPF and Board of Directors of the Company may amend the Policy from time to time depending upon the regulatory requirements and take necessary action for disseminating such amendments in the public domain.

10. Implementation of the Policy

A copy of the policy shall be uploaded on the website of the Company and necessary action with respect to any amendments will be taken.