

Rights and Obligations of Client and Repository Participant

Rights & Obligations of Client

1. The Client agrees to pay such charges as set out in **Schedule A** hereto, to the Repository Participant for the purpose of opening and maintaining his Repository Account, for carrying out the instructions of the Client and for rendering such other services as may be agreed to from time to time between the Repository Participant and the Client in respect of his/its Repository Account. The Repository Participant reserves the right to revise the charges anytime by giving not less than thirty days' notice in writing to the Client. In case the Client fails to make the payment of any of the amounts as aforesaid, within a period of thirty days from the date of demand or the immediate succeeding billing date whichever is earlier, the Repository Participant shall have the right to discontinue the services after giving two days' notice to the Client, till such time the Client makes the payment along with interest, if any. The Client further agrees that in the event of the Client committing such default in payment, the Repository Participant will -charge interest at the rate of not more than 24% p.a. for the period of such default without prejudice to its right to suspend operations in the Repository Account or close the Repository Account of the Client.
2. Upon opening of the Repository Account as requested, the Client shall have the right to get the credit of those of its commodities physically deposited by it with and received by the Warehouse, duly recorded and credited in electronic form in its Repository Account. Provided however that such credit in the electronic Repository Account shall be subject to acceptance of the commodities by the Warehouse for credit to the Repository Account in the manner and as may be specified by the Authority or Repository as valid deposit for storage and delivery. The Client further understands and agrees that the record of electronic balance of commodities is the net balance after debit and credit of electronic Warehouse Receipts issued by the Warehouseman and that it shall be entitled to hold such Warehouse receipts in electronic form only till the Validity Date as assigned by the assayer approved for the purpose or such other date as may be specified by the Authority or Repository and that the Client shall not be entitled to deal with such warehouse receipt except under circumstances and in the manner prescribed by the Authority.
3. The Client understands and agrees that the electronic credit in the Repository Account pursuant to deposit of the underlying physical commodity at the Warehouse concerned or as a consequence of transfer, is only a record of deposit and entitlement therefor and that the Repository Participant and Repository are mere facilitators of such Repository Account keeping while the liability in respect of the actual commodity/ies stored in the Warehouse is that of the Warehouseman or the client as the case may be. The Client further understands and agrees that once electronic credit of commodities is transferred from its Repository Account, the Client is not entitled to receive or deal with the corresponding commodities and that the right to receive the commodities and deal therein shall then rest with the respective transferee/s of the electronic credit except in cases of frauds/erroneous transfers subject to being reported and rectified immediately after detection.
4. The Client undertakes and agrees that during the period of validity of the Warehouse receipt, notwithstanding the liability of the Warehouseman under the WDR Act, 2007 and the Rules and Regulations issued thereunder, the client shall always be responsible for compliance of such laws as may be applicable to the commodities dealt by the client including but not limited to the compliance of Food Safety Standards and GST or such other tax laws as may be applicable to the commodity dealt with by the client and the regulations and prohibitions with respect to the stock limits as prescribed by the Central/State Government as may be applicable from time to time. The clients undertakes and

agrees to indemnify and keep indemnified the Repository and Repository Participant against any consequential claims or damages that may arise due to non-compliance on part of the Client.

5. The Client agrees that the Repository or the Repository Participant shall be entitled to freeze or disable the transfer of electronic balances as reflected in the Repository Account of the Client completely or partially as may be deemed appropriate by the Repository Participant or the Repository for any reason or circumstances which in the opinion of Repository, the freezing of Repository Account is warranted. Such opinion of the Repository shall be final, conclusive and binding on the Client.
6. The Client also agrees and undertakes that it shall not hold the Repository Participant or the or the Repository responsible and/or liable for any deterioration or deviation in quality or in quantity of the actual commodity deposited in the Warehouse and will not have any claim for the same from or against the Repository Participant or the Repository.
7. The client agrees that transfer of balances to and from other Repositories may be delayed due to reasons beyond the control of Repository and the client does not hold the Repository responsible for the same.
8. The Client agrees to pay to the Repository Participant fees and charges with respect to the electronic holdings as reflected in its Repository Account such as warehouse charges, assaying charges and such other charges as may be notified by the Repository or the Warehouse at such rates as may be prescribed subject however, that any such charges recoverable against any bill, if remain unpaid by the Client for a period of more than 15 days from the date of receipt of the bill, the Repository Participant shall be entitled to suspend all transactions in the Repository account of the Client till the time of recovery of all outstanding charges with prescribed interest if any. The Client further authorizes Repository Participant to forward the charges so collected to the respective entity such as the Warehouse Service Provider, the Commodity Exchange, Repository Service Provider and any other entity involved in the process as the case may be, as per directives of the of the Repository.
9. On the failure of the Client to pay any of the accrued charges as agreed herein within the stipulated period, the Repository Participant shall without prejudice to its right to legal remedies, be entitled to close the Repository Account of the Client by requiring it to specify whether the balances in its Repository Account be transferred to the Repository Account of the Client held with another Repository Participant or be processed for withdrawal in the manner prescribed.
10. The Client agrees that the Repository Participant may refuse to carry out any transaction in the event of any directive from the Repository restricting such transaction including seeking freezing of the Client's Repository Account, or in accordance with any procedure laid down by the Repository warranting such freezing at a given time or on any event.
11. The Client shall notify the Repository Participant within seven days from the date of any change in the details set out in the application form submitted to the Repository Participant at the time of opening the Repository Account or furnished to the Repository Participant from time to time.
12. The Client shall immediately within three days, inform the Repository participant about any change in its constitution involving change in control of management, and shall execute all such necessary documents as may be required by the Repository Participant in that regard.
13. The Client shall not have any claim against the Repository Participant or the Repository on account of any suspension, interruption, non-availability or malfunctioning of the of Repository System or Service

or non-execution of his orders due to any link/system failure or for any reason beyond the control of the Repository Participant or the Repository.

14. The client shall keep the Repository and Repository Participant indemnified at all times with respect to any claims/losses/damages that may accrue /arise to the Repository and Repository Participant on account of malfeasance or misrepresentation or fraud

Rights & Obligations of Repository Participant

15. The Repository Participant undertakes that it shall not create or permit to subsist any mortgage, charge or other encumbrance over the electronic balance of the Client except on the instructions of the Client.
16. The Repository Participant shall maintain a separate Repository Account for holding its own commodities in electronic form.
17. The Repository Participant undertakes that a transfer to and from the Repository Accounts of the Client shall be made only on the basis of an order, instruction, direction or mandate duly authorized by the Client in the manner prescribed and/or in accordance with and subject to the Bye-laws and Business rules, notifications or directives of the Repository and that the Repository Participant shall maintain adequate audit trail of such transactions.
18. The Repository Participant undertakes to provide a transaction statement including statement of accounts, if any, to the Client at such intervals as may be agreed between the Client and the Repository Participant or as may be required by the Repository or the Exchange, as the case may be.
19. The Repository Participant shall have the right to terminate its services, for any reasons whatsoever, provided the Repository Participant has given a notice in writing of not less than thirty days to the Client as well as to the Repository. Similarly, the Client shall have the right to close his Repository Account held with the Repository Participant, provided no charges or dues are payable/remaining to be paid by him to the Repository Participant and provided that any encumbrance if subsisting, has been fully satisfied and discharged. In the event of closure of its Repository Account, the Client shall specify whether the balances in its Repository Account should be transferred to any other Repository Account of the Client held with another Repository Participant or to withdraw the commodity that is represented through the electronic balances in its Repository Account. Based on the instructions of the Client, the Repository Participant shall initiate the procedure for transferring such electronic balances or process for withdrawal of such electronic balances as per the procedure laid down in the Bye Laws, Rules or Regulations and guidelines of the Repository or as per the process prescribed by the Repository. Provided further, the termination of this agreement shall not affect the accrued rights, liabilities and obligations of either party and shall continue to bind the parties till their satisfactory completion.
20. The Repository Participant undertakes to resolve all legitimate grievances of the Client against the Repository Participant within a period of thirty days. In the event of non-resolution of the grievance within the time specified as aforesaid, the parties agree to submit the same for resolution by arbitration as provided in the Bye-laws and the Business Rules of the Repository as amended from time to time.