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Standard Operating Procedure for Withdrawal of Bullion

Following are the scenarios where withdrawal may be possible / needed:

1. Import of Metal into DTA (Bill of Entry, to be filed for Home Consumption)
2. Movement of Metal to another SEZ (Zone to Zone Bill of Entry, to be filed)
3. Intent to export the metal (Shipping Bill to be filed)

1. The procedure for Withdrawal of Bullion (DTA):

- BO shall place a request for withdrawal of bullion to the Depository. Request should come to the depository in a specified format (withdrawal request form) duly signed by BO / the authorized signatory along with following documents from the designated email ID.

At the time of submitting Withdrawal Request to Bullion Depository following documents shall be enclosed:-

- Out of charge Bill of Entry by Importer / DTA Bill of Entry.
- Proof of payment of customs duty
- Any other documents as required and ask for by depository/vault manager.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details:
 - Safe Deposit Vault Service Provider ID / Safe Deposit Vault ID
 - ISIN
 - ISIN Description
 - Qty
 - No. of Units
 - Reason for Withdrawal
- Depository system shall ensure that FIFO or any other framework is followed and accordingly allot the BDRs to be withdrawn from the vault.
- The Checker at Depository will verify and confirm the same
- The said withdrawal request then goes to the Vault managers electronically.
- For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO.
- Vault Manager shall do a due diligence of documents and proof of identity verification of BO / Authorized Representative who has come to withdraw the bullion.
- At the time of Delivery, Vault Manager shall ensure that following documents are received from client:

- Packing List
 - OCC gate pass copy from customs (*)
 - Any other documents as required and ask for by depository/vault manager.
- The Vault manager shall not deliver the bullion to the BO until Out of Charge Bill of Entry is produced by ultimate buyer and extinguishment of BDR is duly executed in the Depository system.
 - Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain with Vault Manager and one copy will be given to the BO.
- On the extinguishment of BDR, dematerialized / electronic balance will be reduced from BO account to that extent that is marked as withdrawn by the BO from the vault manager.
- With respect to the extinguished BDRs, the audit trail shall be maintained.

2. Procedure for Movement of Metal to another SEZ (Zone to Zone Transfer)

- BO shall place a request for withdrawal of bullion to the Depository. Request should come to the depository in a specified format (withdrawal request form) duly signed by the BO / authorized signatory along with following documents from the designated email ID.
 - Filing of Transshipment permit / Shipping Bill
 - Any other documents as required and ask for by depository.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details:
 - Safe Deposit Vault Service Provide ID / Safe Deposit Vault ID
 - ISIN
 - ISIN Description
 - Qty
 - No. of Units
 - Reason for Withdrawal
- Depository system shall ensure that FIFO(**) or any other framework, is followed and accordingly allot the BDRs to be withdrawn from the vault. The withdrawal can happen from multiple vaults depending on where the metal is stored
- The Checker at Depository will verify and confirm the same
- The said withdrawal request then goes to the Vault managers electronically.

- For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO(**) method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO
- Vault Manager shall do a due diligence of documents and proof of identity verification of BO/Authorized Representative who has come to withdraw the bullion.
- At the time of Delivery, Vault Manager shall ensure that following documents are received from client:
 - Packing List
 - Transit Bond by Logistics Company / Contractor.
 - Any other documents as required and ask for by vault manager.
- The Vault manager shall not deliver the bullion to the BO until extinguishment of BDR is duly executed in the Depository system.
- Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain with Vault Manager and one copy will be given to the BO.
- On fulfillment of above process, the vault manager shall hand over the bullion only to the authorized transporter / Vault Manager for Zone-to-Zone Transfer.
- On the extinguishment of BDR, dematerialized / electronic balance will be reduced from BO account to that extent that is marked as withdrawn by the BO from the vault manager.

With respect to the extinguished BDRs, the audit trail shall be maintained.

3. Intent to export back the metal (Shipping Bill to be filed)

- BO shall place a request for withdrawal of bullion to the Depository. Request should come to the depository in a specified format (withdrawal request form) duly signed by the authorised signatory along with following documents from the designated email ID.
 - Certified copy of shipping bill
 - Packing List
 - copy of airway bill or bill of lading.
 - Any other documents as required and ask for by depository/vault manager.
- On the receipt of the request from the BO, Maker at Depository will capture the necessary details:
 - Safe Deposit Vault Service Provide ID / Safe Deposit Vault ID
 - ISIN

- ISIN Description
 - Qty
 - No. of Units
 - Reason for Withdrawal
- Depository system shall ensure that FIFO (***) or any other framework, is followed and accordingly allot the BDRs to be withdrawn from the vault. The withdrawal can happen from multiple vaults depending on where the metal is stored
 - The Checker at Depository will verify and confirm the same
 - The said withdrawal request then goes to the Vault managers electronically.
 - For Gold & Silver:
 - Maker at Vault will capture the necessary details including BDR No, and Bar serial number as per the FIFO (***) method or any other method as may be prescribed by Bullion Depository from time to time, to be delivered to BO
 - Vault Manager shall do a due diligence of documents and proof of identity verification of BO/Authorized Representative who has come to withdraw the bullion.
 - At the time of Delivery, Vault Manager shall ensure that following documents are received from client:
 - Packing List –
 - copy of airway bill or bill of lading. –
 - General Bond Details
 - Any other documents as required and ask for by depository/vault manager.
 - The Vault manager shall not deliver the bullion to the BO until extinguishment of BDR is duly executed in the Depository system.
 - Subject to the above conditions being fulfilled, Checker at Vault manager will verify the same and provide the confirmation (by providing BDR extinguishment form) to the depository to initiate extinguishment of BDR in the depository system.

The information of the extinguished BDR shall be relayed through the depository system to the vault manager post which, the delivery of Physical Bullion shall be made to the BO of the extinguished BDR.

- The vault manager also will have to take an acknowledgement duly signed by the BO for the records. One copy of such acknowledgement will retain with Vault Manager and one copy will be given to the BO.
- On fulfillment of above process, the vault manager shall hand over the bullion only to the authorized /approved carrier for export.
- On the extinguishment of BDR, dematerialized / electronic balance will be reduced from BO account to that extent that is marked as withdrawn by the BO from the vault manager.

With respect to the extinguished BDRs, the audit trail shall be maintained.

- (*) We would like to have the OCC gate pass electronically flowing from custom system to the depository system (copy enclosed for reference). –
- (**) The FIFO framework or any other applicable framework shall be applicable for calculation of customs duty payable for BDR extinguishment and subsequent imports to DTA. The same process can be followed for BDR extinguishment request placed for other purposes as well.

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Standard Operating procedure for Deposit of Bullion

Prerequisite: Every eligible depositor and Beneficial Owner (BO) shall have the Demat account with the bullion depository for the process of Depositing / Withdrawal from the empaneled Vaults.

The process of Deposit of Bullion:

- A depositor shall place a request for the deposit of the bullion to a Depository. Request should come to the depository in a specified format (deposit form) duly signed by the BO / authorized signatory from the designated email ID. Along with Deposit Request form, BO has to submit certain documents:
 - Airway Bill
 - Custom Invoice (If applicable)
 - Packing list (including Refiner's certificate)
 - Bill of entry (if available)
- Maker at depository will capture the necessary details like BO ID, ISIN, Description of Bullion ISIN, Number of Units, Total Qty, (as per Deposit Request Form).
- Checker will verify the said details in the depository system and either approves / rejects the request.
- Unique record shall be created (if approved) based on the above information and the same shall be shared with Vault manager electronically
- Vault Manager shall enhance the above created record by entering:
 - BAR number
 - Weight of the Bar
 - Fineness of the Bar
 - Refinery name
 - Packing details as mentioned by Foreign Supplier / Client post verification
 - Bill of Entry (if not captured earlier). -
 - BDR No. (System will generate)
 - Unit Of Measurement
 - Depositor Details
- Depositor will check with the Vault Manager in advance for adequate space for depositing Bullion with them.
- The Vault Manager, or any person authorized in this behalf, shall ensure the completion of all necessary documentation including signatures before acceptance of the metal in the vault
- Vault Manager shall ensure that they shall accept bars only from the approved refiners list specified by the bullion exchange / Clearing Corporation / Bullion Depository from time to time
- The Checker at vault will verify the same and confirm the receipt of physical bullion and electronically provide the details of said bullion to the Bullion depository. –
- Based on the information received from the Vault Manager and all criteria fulfilled, the Bullion Depository will generate and issue a Bullion Depository Receipt (BDR) in dematerialized / electronic form with underlying bullion, bearing a unique identifier.
- Every bar accepted in the Vault shall have a unique BDR number
- Simultaneously, the Units will be credited to the BO account of the Depositor in the Bullion Depository.
- BD shall send the BDR information to the depositor and to the Vault Manager for record and audit purpose.

The Vault manager shall clearly demarcate the storage area meant for vaulting services for BDR

- Vault Manager shall take necessary actions to maintain the quality and quantity of physical bullion stored in the vault.
- At the end of day, Vault Manager ensure that the physical inventory tallies with the Depository's record.

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Standard Operating Procedure - Reconciliation between the Vault Manager and the Bullion Depository

- The Depository shall electronically provide the Vault Manager the total balances each ISIN wise held in its system on a daily basis, for reconciliation purposes.
- The Bullion Depository and Vault manager shall reconcile the information with respect to each ISIN wise balance on a daily basis through electronic mode. The information of ISINs, bar numbers, etc. will be provided by the bullion depository to the vault manager as on every End of Day (EOD) and the same will be required to be confirmed by Vault manager in terms of units and the other details by the same day within the time frame specified by the BD – to be clarified with CDSL IFSC IT
- The following information shall be shared by BD with the Vault Manager:

SDVSP ID, SDVID, ISIN, ISIN Description, No. of Units, QTY.

- If there are any reconciliation issues, the same shall be reported by Vault Manager to Bullion Depository, accordingly forthwith to the Authority, Bullion Exchange and Bullion Clearing Corporation, fresh deposits / withdrawal shall be temporarily stopped till the investigation is completed. The Vault manager shall be liable for such discrepancy to the extent of his failure / fault besides being liable for a disciplinary action by the Bullion Depository /Authority. – Need to verify with CDSL IFSC IT, how to freeze fresh deposits & withdrawals temporarily.
- The Vault manager shall also submit periodic report to the Depository and Authority with details of such discrepancies and action taken.
- Physical Stock Reconciliation will be “as on date and time” Report, data up to Report generation time will be displayed. – To be clarified with CDSL IFSC IT.

In case of any disputes related to quality of physical bullion, during the processes of withdrawal, the same would be dealt with by obtaining a quality report from an independent assayer empaneled by the Bullion Depository.

Infrastructure, Standard Operating Procedure - procedure for ensuring the safety of the physical bullion from fire, theft, burglary etc.

Infrastructure

- As far as possible the Branch premises should be Stand Alone Premises with Perimeter fence. Minimum area of 1500 sq. Ft is required; Ground Floor is preferred.
- Adequate space for parking of vehicles should be available.
- Pedestrian door & Vehicle gate to facilitate controlled access.
- Adequate exterior lighting, particularly around entry/exit doors.
- All entrances and exits (including skylights and fire stairs etc.) to the premises to be controlled and secured. (Remote-control, video-entry, interlocking, anti-ram protection, steel shutters, grills, etc.)
- UPS & Generator power back - up in case of disruption of normal power supply.
- Adequate security equipment & surveillance system to cover approaches/access to premises as well as to the vault.
- Alarm Systems used to protect the vault to be tamper-protected and state of the art
- Intercom system between key areas as well as appointments.
- All exterior air vents and windows to be protected with steel security bars.
- All exterior doors including those to the vault room to feature top, center & bottom security pins between the door & frame mortice mounted to preclude removal of door from the outside.
- All doors to feature high security locking mechanism & equipped with a spring or hydraulic automatic door closure.
- Doors of Vehicle Bay to have mechanical or electrical deadbolts to prevent forced rising of the door from the outside.

- Locking mechanisms to have restricted keyways & dual access control.
- Mantrap Area to be of concrete block construction & feature a concrete slab or steel roof deck.
- The employees & vehicle deployed for secure value operations should be on Company roll / owned.

The vaults shall be physically and operationally suitable for the proper storage of such Bullion and the security and surveillance equipment to include:

- (a) The construction of vaults to be as per standards specified by Authority or the Bullion Depository from time to time.
- (b) CCTV (Close Circuit Television) monitors 24/7
- (c) Indoor & Outdoor IR (Infra-Red) Cameras.
- (d) Sensors: Vibration, Smoke, Movement etc.
- (e) Intruder Alarm System (Autodialer).
- (f) Recoding systems such as DVR (Digital Video Recording) or NVR (Net Video Recording) System and have DVR (Digital Video Recording) in a secure place/ area (pre- vault Area/Packing Area) under lock and key.
- (g) Interlocking Panel for steel doors / Or app lock.
- (h) Electromagnetic locks for steel doors.
- (j) Video Door Phone/Biometric Reader.
- (k) Metal Detector / Handheld metal detector.
- (l) The vault shall be attack and fireproof with SFSR (Steel Fabricated Strong Room) or Additional RCC wall.
- (m) HSD (High Security Door) with Grill Gate with dual authentication, Kaba Lock (OTP) controlled from corporate office by only by authorised person with timer locks (Steel Door with 2 mechanical locks may be used in low-risk areas) to be used to Control Access to Vault.

(n) All doors to feature high security locking mechanism & equipped with a spring or hydraulic automatic door closure.

(o) The recording / storage capability of surveillance data in the DVR should be adequate and meets international standards say for a period of 365 days

(p) Security & Surveillance system to be checked daily & a record maintained thereof.

(q) Non-functioning items to be reported to Security & repaired /replaced immediately or as earliest as possible with minimum downtime and to covered by mitigation plan.

Restricted Access to Vault Area

- **Mantrap Area (MTA)** is one of the important posts where every individual entering & exiting beyond should be frisked and entry registered to be entered by SG.

- While entering:
 - Guard must ensure that the person has got company issued ID (Employee/Visitors
 - Outsiders (Employee from other Branch, Corporate, Auditor, visitors should be accompanied by Branch Operation in-charge.
 - The Guard should ensure that the individual keeps all his belonging (belt, mobile phone, wallet, ornaments) inside the dedicated locker and takes the locker key with him. Guard must ensure that he does not have any sharp objects that can be used as a weapon to harm anyone/or any weapon.
 - The individual should keep his shoes and socks outside and wear the slipper to be provided
 - Beside Branch operation staff, entry to vault pre-approval is required from **Security Country Head/Directors** this includes company staff from other Hubs and Auditors. An exemption approval needs to be obtained in writing from **Country Security Head/Director** if the Auditors wants to take mobile phone or laptop.
 - Frisking should be carried out thoroughly with HHMD front and back body of the individual. If the sleeves are rolled up, politely ask to unroll the sleeves.

Standard Operating procedure - procedure for determining losses caused due to fire, flood, earthquake, burglary, misappropriation, fraud, negligence, terrorism, and force majeure events.

- The Vault Manager shall always ensure to fully cover under insurance, the value of physical bullion stored in its vaults against all potential perils relevant to the bullion for which insurance cover is available and necessary.
- The Vault Manager shall undertake to keep insurance cover for risks such as Fire and allied perils including flood, cyclone, earthquake and spontaneous combustion, Burglary and Theft and special perils covering riots, strikes, terrorism and to keep adequate insurance to cover and mitigate additional risks as may be specified by the Bullion Depository from time to time.
- The Vault Manager shall take Fidelity guarantee & crime insurance and Professional indemnity cover to cover all deliverable stocks of physical bullion held by the Vault Manager.
- The value of physical bullion to be insured should be marked to market on replacement value on an ongoing basis.
- Vault Manager shall provide information regarding the insurance coverage of the physical bullion to the Bullion Depository quarterly.

Standard Operating Procedure – Roles and Responsibilities of employees (including outsourced employees)

- All employees including directors and agents of the Vault Manager shall be prohibited from revealing any information regarding customers who have dealings with the vault or regarding bullion deposits or withdrawals by them to any person except as permitted by the Authority /Bullion Exchange/ Bullion Depository.
- The auditors appointed to inspect the vault operations shall have the same powers as vested in the inspecting officer and the Vault Manager and its directors, officers and employees shall be under the same obligations towards the auditor appointed.
- The employees of the Vault shall not be involved in any proceedings connected with the securities/bullion market or any other regulatory or enforcement agency.
- The employees of the Vault shall be fit and proper, not having moral turpitude and not having any outstanding cases against them, etc.

Key Management

Strong Room:

- The set process by the company needs to be followed strictly no deviation will be accepted.
- Bullion safes/bin's key should be kept and secured inside the key safe located in the Strong Room.
- Strong room grill gate is equipped with Biometric with dual authentication (EM lock) and 2 hard keys (Dual operator).
- The main strong room door (Godrej Class – 1) is equipped with KABA lock (OTP based controlled by Corporate Office, Bangalore) and has two set hard keys (Dual Operator).
- Hard keys of both the Grill gate and Godrej door to be stored in the 2 set of Key safe inbuilt on the wall of the Pre-vault room. **One set of Key (Grill gate Key 1 in Godrej door key 1 to be secured in Key safe – A, 2nd. Set of Key (Grill gate key 2 and Godrej door key 2) to be secured in key safe – B.**
- The key safe to be secured by Bluetooth locks which is operated through Mobile of authorized vault in charge.

- List of vault authorization should be approved by Country Security Head or Directors and should be renewed every month. The list should be displayed on the wall outside of the Strong room.
- The door of pre-vault room is equipped with Biometric (EM Lock) and should have the list of authorized persons approved by CSH or Directors

VEHICLE BAY IN & OUT

Vehicle bay: Is the restricted area where the incoming & outgoing materials are loaded & unloaded (and then transferred to the dispatching area or pre-vault). It is one of the core areas of the vault. The vehicle bay should be closed at all the times. During off hour it should be closed and locked from “In & Out”.

- The vehicle bay should be locked from inside and outside. The exterior and interior of vehicle bay should be under surveillance.
- Operation in-charge will view CCTV live monitoring on the video screen installed at the Transfer Area and ensure the normalcy inside the Vehicle Bay and outside of the building. (On any suspicious movement observed the in-charge person not to open the transfer window). If no threat observed the in-charge will open the transfer window and go to the
- Vehicle Bay from Transfer room. The in-charge will then lock the transfer window from outside prior to opening the Vehicle Bay door from inside.
- The Security Guard will then open the lock of Vehicle Bay from outside. (Transfer window should remain closed and locked while the vehicle bay gate is opened).
- On entry of the vehicle inside of the Vehicle Bay. The driver after parking the vehicle properly together with Armed guard will exit the vehicle bay.
- Security staff/ Operation in-charge will then close the Vehicle Bay and latch it from inside of and then open the Transfer window by opening the App lock to transfer the material.
- On completion or loading or unloading Security Guard should view the outside situation from the video screen installed in the vehicle bay prior opening the vehicle bay gate.

- After Vehicle exiting the V. Bay, Security Staff will then secure the Vehicle Bay gate by locking from outside.
- Operation in-charge to lock the Vehicle Bay Gate from inside and then enter inside the Transfer room and lock the transfer window from in-side.
- The vehicle bay should always be kept clean and no unwanted material should be stored inside it. On duty SO should ensure that no unwanted storage should be kept in the vehicle that would obstruct vehicle, CCTV focus and would be a fire hazard. ▪Vehicle bay's gate should always be locked from Inside & Outside.
- Ramp for the vehicle will be kept in a horizontal position when not in use. Once the vehicle needs to be taken to the Vehicle Bay, ramp to be placed in a proper way with the help of the standby vehicle or Hydraulic trolley

Opening / Closing Procedures

- The premises main door will be opened by the vault officers in the presence of Shift/ Br Manager.
- Vault officers then keep their personal belongings like wallet etc. in the staff locker & then proceed to MTA; the Security Guard manning the guard room & MTA allows the Vault Officers & Shift Manager access to MTA after duly frisking them; the 2 vault officers open the vault door in the presence of Branch Manager.
- Once inside the Vault they duly close the vault door & deadbolt it.
- Alarm systems except hooter & Panic Switch to be deactivated.
- Subsequently they open the Auxiliary Defender Safe; take out keys of the Vault door.
- Prior to taking the key of the Main vault from Key safe authorized dual custodian will call SSCC and register their name and employee number.
- The Vault door (Kaba lock) is opened by unlocking mechanical, combination by calling SSCC.

- Central SO for Kaba to verify the user of Kaba through CCTV prior starting the process of issuing lock code.
- SO, to monitor the transaction until completed and closing of the main vault door.
- The record of entry/exit to/from Main Vault (Strong room) to be maintained separately.
- Power connection to SFSR to be cut off at the time of closing the vault.
- At EOD (End of the Day) all alarm systems to be activated before closing.
- Sluff time to be kept to a minimum. Record of sluff time to be kept & known to the vault Officers as well as their relief.
- Vault to be closed with no unnecessary delays.
- The opening / closing of vault to be reported to SSCC.
- Record of time of opening/closing to be maintained at SSCC as well as Hub/Br.

Security Procedures

- Access to the vault should be restricted to only those who has their name on the authorization list approved by CEO or his representative (Country Security Head).
- Even other employee, loaders, auditors need prior approval from Directors or Country Security Head prior to the visit. During the visit to Vault Area, Govt. identity & authorization to visit the vault to be ascertained/checked by Security/Reception. Tally the entry made by the Visitor with ID proof of the visitor.
- Sign in/out Register to be maintained in MTA.
- All employees including vault officers, Managers & others including Management when authorized to visit vault must register and sign in / out for each entry / exit. No exceptions to be made.

- Dual custody of vault to be maintained with min of 2 persons present at all times, when vault is open & / or liabilities are exposed.
- Vault Officers & Managers authorized access to vault should be aware of location of alarm systems like panic buttons/switches.
- Vault doors will remain continuously dead bolted.
- Transfer windows to be kept locked at all times when NOT in use.
- All outgoing shipments/parcels to be verified in dual custody by the vault officers & receiving employee.
- The employee to receipt & record in words as well as figures the total No. of shipments parcels & duly sign the receipt.
- Employee upon receiving shipments from Vault officers to maintain continuous custody & Visual scrutiny over them.
- One assigned crew member (GM or DA) to remain continuously present @ the vehicle when there are liabilities on board within the vehicle.
- Ensure shipments are never left unsupervised at an open/unattended transfer window during check-in / check – out procedures.
- Vault contents to be checked/audited by vault officers & concerned operations I/C daily; BM monthly; RM quarterly/during visit to the Hub/Br whichever is earlier; Business/ Operations / Security Heads from Corporate Office, during their visit to the Br/Hub, should also carry- out at least random audit of the vault.
- Seals & other vault documents to be kept secured when NOT in use.
- Dustbins/ Refuse Containers in Vault Area to be inspected by vault officers prior to dis

posal to ensure that no liability has fallen in.

- Refuse containers to be kept away from tables/Platforms where liabilities are temporarily placed to minimize the risk of liabilities accidentally falling into Refuse Containers.
- Employees/Visitors to be prohibited from bringing extraneous articles of clothing, lunch-boxes, purses etc. inside the Vault Area.
- Security equipment including Doors & locks to be maintained annually by approved vendor. A record to this effect to be maintained & produced during Security Audit.
- Street inspection of vehicles to be carried out on weekly basis by Supervisors/BM. Report to be forwarded to Head Security, every Monday.
- Mock drill to be conducted on monthly basis & report forwarded to Head Security.

Inventory procedure:

- Stock inventory is carried out periodically in a monthly basis (minimum) by our internal team.
- Security country head to send the calendar to all the authorized person to carry the inventory.
- Inventors should strictly follow the standard procedure for entering inside the vault.
- Inventors to carry out physical counting of the stocks and tally with the stock report. For the gold bar the bar number needs to be checked and tallied with the certificate of authenticity (Applicable for LBMA approved refineries shipment only).
- While carrying out the inventory the inventors to check following beside stocks.
 - Security Equipment
 - Entry Registers
 - Frisking process
 - Cleanliness of the vault
 - Any hazardous items or unnecessary items

- Vault opening and closing procedures
 - Random checking of DO acknowledgment
- The report has to be then submitter to Bullion manager, Security Head and CEO. On any discrepancy a report has to be prepared for further investigation.
- The inventors should while submitting the report should cover:
 - Discrepancies
 - Recommendation
 - Appreciation (if all is well)

Vendor Management

With clearly defined business and vendor requirement, your vendor selection team would be able to easily find a suitable vendor, who can deliver the service /product. After conducting interviews and researching on suitable vendors' background, you will have to select a few vendors from whom you would like more information. Your vendor selection team can then write a Request for Information (RFI) and send it to the selected vendors. The next step would be to evaluate the responses from the vendors and create a short list of Indian vendors.

Proposal Preparation

Write a Request for Proposal (RFP) & Request for Quotation (RFQ)

Now that you have analyzed your business requirements and shortlisted a few Indian vendors that you wish to evaluate, you must write a Request for Quotation or a Request for Proposal. The Request for Proposal should contain sections, such as, submission details, an introduction and executive summary, an overview and background of the business, detailed specifications, assumptions and constraints, terms and conditions and selection criteria.

Evaluating the proposal & selecting the vendor

To begin with, conduct a preliminary review of all your vendors' proposals. The next step would be to state your business requirements and the vendors' requirements. Discuss with our management team and assign an

importance value for each requirement. Next, assign a performance value for each requirement. Now all you must do is calculate a total performance score and choose the winning vendor.

Creating a contract negotiation strategy

Creating a contract negotiation strategy is the final step in the vendor selection process. Rank your priorities along with alternatives. Clearly define benchmarks and time constraints. Evaluate your risks and liabilities. Also state the level of confidentiality required. Remember to mention changes in the requirements. Understanding the difference between what we want and what we need, from the contract, can help you create a better strategy. Service level vendor needs to be made prepared and executed.

Standard Operating Procedure for Grievance Redressal

- The Vault Manager shall put in place a grievance redressal mechanism details of which shall be provided to the Bullion Depository / Authority at the time of making of application for registration.
- Every grievance registered with Vault Manager the same must be reported to Bullion Depository accordingly.
- Each grievance registered by the aggrieved party shall be redressed by the Vault Manager in the manner as specified by the Depository / Authority.
- The Vault Manager shall submit periodic report to the Authority under copy to Depository of the grievances received and the action taken thereon.
- The Vault Manager shall be created a designated email ID to receive Grievances from the concerned party.
- The Vault Manager shall be redressed the grievances within 15 days from the date of receipt. In case the Grievance is not resolved within the stipulated time, the depository shall take necessary action against the concerned party.

Standard operating procedure for Demat Account Opening to hold Bullions in dematerialized form with Depository:

1. Objectives

The account structure in CDSL IFSC Ltd is designed to meet the following objectives: -

- To maintain proper records.
- To segregate accounts of Beneficial Owners (BO) from each other.
- To account for dematerialized Bullion at BO level.
- To provide a flexible accounting structure to support the settlement requirements of the Bullion exchange.
- To enable Depository to inquire about the BO accounts serviced by them.
- To provide the Depository BO master account details and the current and historic details of transactions.
- To segregate the various types of accounts required to be maintained by the Clearing Members (CM) for various purposes.

2. Features:

By opening a demat account with a Depository, investors can carry out the following activities: -

- Convert physical bullion held by them into electronic form by way of dematerialization.
- Deliver (sell) / receive (buy) bullion in dematerialised form for trades done on bullion exchange or for any other reason.
- Obtain statement of account of dematerialized bullion held in their demat account.
- Pledge the bullion held in the demat account.

3. Procedure to be followed while opening an account for Bullion: -

An investor wishing to open an account in CDSL IFSC LTD shall approach a Bullion Depository registered with IFSCA. The applicant shall fill up the CKYC Application form as for individuals and non-Individuals as the case may be and additional account opening Form for opening a Demat Account for Individuals and Non-Individuals and submit the same to the Depository. The applicant should submit PAN and any one of the OVD as prescribed under PMLA Rules. A Power of Attorney holder cannot open a demat account on behalf of the BO.

- a. Depository must collect separate CKYC application forms from sole / first holder, second holder and third holder in case of Joint Accounts. In case, if sole holder is a minor /person with mental disability,

CKYC application form should be collected from the guardian also. In case of Individual clients, In-person verification shall be required to be carried out and recorded on the CKYC form.

- b. The Depository shall provide a copy of the Rights and Obligations document to the applicant and shall keep an acknowledgment of the same on record.
- c. In order to open an account, the investor needs to fill up CKYC Application form (if not KRA / KYCR compliant) as prescribed by CERSAI and Account opening form for opening a demat account as per the format provided by CDSL IFSC LTD. The investor shall complete the standard form in all respects and submit the same to the Depository along with the relevant documents as prescribed by CDSL IFSC LTD / IFSCA.
- d. Special care shall be taken to check genuineness of the client if disproportionately large number of accounts (say, above 20) are opened with the same or similar names and/or PAN and/or same address and/or with the same bank account details.
- e. The Depository shall obtain and maintain photocopies of documents submitted
- f. The Depository shall accept the duly completed CKYC application form and account opening form along with relevant documents and give an acknowledgement to the BO after signing and stamping the acknowledgement slip.
- g. The Depository shall enter the account opening information in the depository system from the account opening form and CKYC application form filled by the BO(s). The Depository shall capture the BO details accurately.
- h. A BO shall be classified with a BO status. These statuses are system-defined. The BO status identifies the BO as an Individual, NRI, Corporate body, Bank, etc.). The Depository shall ensure that a separate BO Account is opened for each BO sub-status (sub-type), A BO will be classified with a BO status. The information to be captured for each BO status will be different. The system will allow the Depository to capture only the relevant fields as per the BO status.
- i. The Depository shall scan the signature(s) of the BO(s), authorised signatory(ies) and Power of Attorney holder(s), if any, at the time of account opening or immediately thereafter.
- j. Once the transaction is committed, the data is captured and stored at CDSL IFSC LTD. A unique BO account number (ID) is generated by the system. The Depository shall record the BO ID on the original application form.
- k. The BO account number is unique within the system and will serve as a reference number for the BO in all his future dealings with CDSL IFSC LTD.

- l. The Depository shall send the BO a system-generated confirmation letter for having opened the account mentioning the account number along with the formats of necessary forms and instruction slips. This letter shall be given to the BO and the Depository shall maintain proof of such dispatch. The letter along with other documents mentioned earlier may also be given to the BO if the BO wants to collect the same in person. Proof of such delivery shall be maintained by the Depository.
- m. Alternatively, the client master report may be provided by the Depository to the BO at the email address recorded in the depository system.
- n. Depository shall be required to ensure compliance with uploading of KYC on system of KRA and CKYCR as per guidelines prescribed from time to time.

Annexure – A

Bullion Depository Receipts (BDR)

BDR shall be in an electronic form and BDR generated shall have the following details, namely:

- Bullion Depository receipt number
- Name and Complete postal address of Safe Deposit Vault
- Vault registration number and date of validity
- Name and address of the depositor
- Depositor / Client Account Number
- Date of BDR generation
- ISIN and ISIN description of the bullion with particulars of No. of Units, Qty, grade, weight,
- Deposit Date
- Vault Manager ID
- Name of Vault Manager
- BAR No.
- And such other particulars as may be prescribed by the Bullion Exchange/ Clearing Corporation/ Bullion Depository or Authority.

Annexure –B



CDSL IFSC LTD
Bullion Deposit Request Form

To be submitted in Duplicate

(To be filled up by the Depositor)

Deposit Request No.		Request Date	D	D	M	M	Y	Y	Y	Y
Deposit Type	Exchange									
Exchange Name	India International Bullion Exchange IFSC Limited	UCC								

(To be filled by the depositor / client. Please fill all the details in **LOCK LETTERS** in English.)

I / We request you to deposit the bullion in my / our name into my / our Demat account.

Depository ID	1		
Client ID			
Client Name			
SDVSP ID	SDVSP Name		
SDV ID.	SDV Name		
ISIN Code	ISIN Description		
No of Unit	UOM	KG	
Qty UOM (KG) (up to 3 decimal)			
Estimated Value in USD (Optional)			

Signature of Client (s)

	Sole / First Holder Authorized Signatory	Second Holder / Authorized Signatory	Third Holder / Authorized Signatory
Name			
Signature as per Depository Rec-			

Abbreviations:

1. UOM: Unit of Measurement
2. SDVSP: Safe Deposit Vault Service Provider
3. SDV: Safe Deposit Vault

Depository Seal and Signature
Date and time

Encl:

1. Airway Bill
2. Custom Invoice
3. Packing List
4. Bill of Entry

Annexure –C



CDSL IFSC LIMITED

Bullion Withdrawal Request Form

(To be filled up by the Depository)

(To be filled up by the Client)

Withdrawal Request Num-		Request Date	D	D	M	M	Y	Y	Y	Y		
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Please fill all the details in **Block Letters** in English.

I/We request you to arrange to withdrawal set-up the Bullion mentioned hereunder held in our Demat account.

Depository ID	1		
Client ID			
Client Name			
SDVSP ID		SDVSP Name	
SDV ID.		SDV Name	
ISIN Code		ISIN Description	
No of Unit		UOM	KG
Qty UOM (KG) (up to 3 decimal)			
Reason for Withdrawal			

Sr. No.	Bar Number	BDR No.	Quantity
1.			
2.			
3.			
4.			
5.			

Attach an annexure duly signed by the BO(s) if the space above is insufficient.

I/We agree to abide by and be bound by the IFSCA's Bullion Act, Rules and Regulations, CDSL IFSC Ltd Bye Laws as are in force from time to time for such Withdrawal Request.

Signature of Clients (s)

	Sole / First Holder Authorised Signatory	Second Holder / Authorised Signatory	Third Holder / Authorised Signatory
Name			
Signature as per Depository Records			

Abbreviations:

4. UOM: Unit of Measurement
5. SDV: Safe Deposit Vault
6. SDVSP: Safe Deposit Vault Service Provider
7. BDR: Bullion Depository Receipt

Depository Seal and Signature

Date and time

Note:

Sr. No.	Reason for Withdrawal	List of Documents
1.	Import of Metal into DTA	<ul style="list-style-type: none"> • Out of charge bill of entry • Packing List • Proof of payment of customs duty • OCC gate pass copy from customs • Any other documents with depository/vault might feel to obtain.
2.	Movement of Metal to another SEZ	<ul style="list-style-type: none"> • Transshipment permit from Customs • Packing List • Transit Bond • Any other documents with depository/vault might feel to obtain.
3.	Intent to export back the metal	<ul style="list-style-type: none"> • Let Export Order (L.E.O) copy of shipping bill • Packing List • Transshipment permit or road movement permit to gateway port along with copy of airway bill or bill of lading. • Any other documents with depository/vault might feel to obtain.

Annexure –D

To be printed/typed on the Vault Manager's letter head

Bullion Depository Receipt (BDR) Extinguishment Form

Ref. No.:

Date:

To,

CDSL IFSC Limited.

Gandhinagar – 382355, Gujarat

Dear Sir / Madam,

Request you to **debit** the following units of Bullion from the accounts in CDSL IFSC LTD. The details of the BDR of bullions being extinguished are given below.

Instruction ID (Withdrawal Request ID which is closed and settled in system)	
Beneficiary Owner (BO) ID	
Name of Beneficiary Owner (BO)	
ISIN	
ISIN description	
BDR No. to be extinguished	
No. of Units in BDR to be extinguished	
QTY of Bullion to be extinguished	
Bar Number (Attach annexure if required with Seal and Sign)	
Extinguishment Execution Date	

I, _____ (name), _____ (designation) of _____ (Vault Manager name), declare that the Vault Manager has done all necessary due diligence, KYC verification obtained all necessary documents for the aforesaid extinguishment of BDR units.

We also confirm that on extinguishment of BDR, we will deliver the above-mentioned Bullion BAR qty to the BO / Authorized Representative of BO.

Signature:

(Stamp of the Vault Manager)

Annexure –E CONSOLIDATED TRANSFER INSTRUCTION

CDSL IFSC LTD
BULLION Depository
GIFT City, Gandhinagar, Gujarat
CIN :

CONSOLIDATED TRANSFER INSTRUCTION

I / We request you to debit / credit my / our account as under: -							Date: -	
BDR No.		BO ID		BO Name				
Sr. No.	ISIN and ISIN Name	No of Bars	QUANTITY		SDVSPID	SDV ID		
			In figures	In words				
1								
2								
3								
4								
5								
Total Instructions Issued (In words only) →								
						THID (Applicable for Early Pay-in and Normal Pay-in)	CMID (Applicable for Early Pay-in and Normal Pay-in)	Execution Date (Not Applicable for Early Pay In and Normal Pay-in)
								D D M M Y Y Y Y
↓ :- Fill the relevant columns :- ↓								
Instruction Type →		Account Transfer - With in CDSL IFSC Ltd (Transaction)		Account Transfer - Outside CDSL IFSC Ltd (Inter Repository)		Market Trades (Settlements)		
Settlement Details →		BO-BO	BO-CM, CM-BO, CM-CM, CM-TM, TM-BO	BO-BO	BO-CM, CM-BO, CM-CM, CM-TM, TM-BO	Early Pay-in	Normal Pay-in	
Exchange Name	→	NOT APPLICABLE		NOT APPLICABLE				
Settlement / Market Type	→	NOT APPLICABLE		NOT APPLICABLE				
Settlement Number	→	NOT APPLICABLE		NOT APPLICABLE				
Counter Depository ID / CM ID	→	NOT APPLICABLE		NOT APPLICABLE		NOT APPLICABLE	NOT APPLICABLE	
Counter BO ID	→	NOT APPLICABLE		NOT APPLICABLE		NOT APPLICABLE	NOT APPLICABLE	
Counter CO / CM Name	→							
Counter Settlement Details		CM-CM		CM-CM				
Exchange Name	→	NOT APPLICABLE		NOT APPLICABLE		NOT APPLICABLE	NOT APPLICABLE	
Settlement / Market Type	→	NOT APPLICABLE		NOT APPLICABLE		NOT APPLICABLE	NOT APPLICABLE	
Settlement Number	→	NOT APPLICABLE		NOT APPLICABLE		NOT APPLICABLE	NOT APPLICABLE	
↓ :- Blank & Signed Delivery Instruction Slips should not be left with your Depository/ Broker :- ↓								
Signature of First / Sole Holder			Signature of Second Holder			Signature of Third Holder		
↓ :- For Depository use only :- ↓								
Internal Ref. No.		Signature Verified By			Transaction Entered By			

I/We agree to abide by and be bound by the IFSCA Act, Rules and Regulations, CDSL IFSC Ltd Bye Laws as are in force from time to time for such Transfer.