

## ACCOUNT OPENING KIT (FOR NON INDIVIDUALS)

### *EVERMORE SHARE BROKING PRIVATE LIMITED*

Exchange/Segment	Member ship No.	SEBI Regn No.	Date
NSE-Capital Market	07936	INZ000022431	21 <sup>th</sup> Jan, 2019
NSE-Future & Options Market			
NSE-Currency Market			
BSE-Capital Market	6437		
BSE-Future & Options Market	6437		
BSE-Currency Market	6437		
MCX	40215		
Compliance Officer : MADHVI JAIN			
Phone No. : 9004628285		Email Id: Compliance@evermore.in	

#### CONTACT DETAILS:

Regd. Off.:	UNIT -1-A 15TH FLOOR,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT	Tel No.	7718841382
Corp/Correspondence Address:	Unit No.3 First Floor, Raghuleela Mega Mall Off. S. V. Road Kandivali ( W ) Mumbai - 400067	Tel No.	022-42229999/919
Fax No.:	022-42229988	Email :	backoffice@evermore.in
		Website:	www.evermore.in

*For any grievance/dispute please contact EVERMORE SHARE BROKING PRIVATE LIMITED at the above mentioned address or E-Mail: ig@evermore.in and compliance@evermore.in Phone No. 022-42229999.*

CLIENT NAME			
CLIENT CODE	Date of Registration		
SEGMENT SELECTION	BSE <input type="checkbox"/>	CM <input type="checkbox"/>	F&O <input type="checkbox"/>
	NSE <input type="checkbox"/>	CM <input type="checkbox"/>	F&O <input type="checkbox"/>
			CURRENCY <input type="checkbox"/>
			CURRENCY <input type="checkbox"/> MCX

*In case not satisfied with the response, please contact the concerned exchange(s) at*

Sr.No	Exchange	Email ID	Phone No.
1.	Securities & Exchange Board of India(SEBI)	<a href="mailto:sebi@sebi.gov.in">sebi@sebi.gov.in</a>	022-264499500 / -
2.	National Stock Exchange of India Limited(NSE)	ignse@nse.co.in	022-26754312 022-26598191
3.	Bombay Stock Exchange (BSE)	Mahesh.ghadi@bseindia.com	022-22728517

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## Annexure -1

### INDEX OF DOCUMENTS

Sr. No	Name of the Document	Brief Significance of the Document	Page No.
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES</b>			
1	Index of Documents		1
2.	Account Opening Form	A.KYC form-Instruction/Checklist for account opening and KYC Document captures the basic information about the constituent and an instruction/check list.	2-4
		B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	5-12
3.	Rights and Obligations	Document stating the Rights & Obligations of stock broker, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	13-20
4.	Risk Disclosure Document(RDD)	Document detailing risks associated with dealing in the securities market.	21-25
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6.	Policies and Procedures	Document describing significant policies and procedures of the stock Broker	28-29
7.	Tariff Sheet	Document detailing the rate/ amount of brokerage and other charges levied on the client for trading on the stock exchange(s).	30
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9.	Running Account Authorization	Authorization to maintain your account on a Running Account Basis.	32
10.	Authority to debit the Demat Account Operating Charges	Authority to Maintain Common Account	33
11.	Authorization for Adjustment between Different Segments & Exchanges	Authorization to maintain your account, relevant to different exchanges and segments on a consolidated basis	33
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13.	SMS and Email Alerts by Stock Exchanges	Availing of SMS and Email Alerts sent by Stock Exchanges directly to investor	35

## INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

### B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph(Mandatory)
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

### C. Proof of Address (POA): - List of documents admissible as Proof of Address:

(\*Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.

4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

#### **D. Exemptions/clarifications to PAN**

(\*Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

#### **E. List of people authorized to attest the documents:**

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

#### **F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:**

<b>Types of entity</b>	<b>Documentary requirements</b>
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year).</li> <li>• Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations.</li> <li>• Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.</li> </ul>

	<ul style="list-style-type: none"> <li>• Copies of the Memorandum and Articles of Association and certificate of incorporation.</li> <li>• Copy of the Board Resolution for investment in securities market.</li> <li>• Authorised signatories list with specimen signatures.</li> </ul>
<b>Partnership firm</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Certificate of registration (for registered partnership firms only).</li> <li>• Copy of partnership deed.</li> <li>• Authorised signatories list with specimen signatures.</li> <li>• Photograph, POI, POA, PAN of Partners.</li> </ul>
<b>Trust</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Certificate of registration (for registered trust only).</li> <li>• Copy of Trust deed.</li> <li>• List of trustees certified by managing trustees/CA.</li> <li>• Photograph, POI, POA, PAN of Trustees.</li> </ul>
<b>HUF</b>	<ul style="list-style-type: none"> <li>• PAN of HUF.</li> <li>• Deed of declaration of HUF/ List of coparceners.</li> <li>• Bank pass-book/bank statement in the name of HUF.</li> <li>• Photograph, POI, POA, PAN of Karta.</li> </ul>
<b>Unincorporated association or a body of individuals</b>	<ul style="list-style-type: none"> <li>• Proof of Existence/Constitution document.</li> <li>• Resolution of the managing body &amp; Power of Attorney granted to transact business on its behalf.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Banks/Institutional Investors</b>	<ul style="list-style-type: none"> <li>• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Foreign Institutional Investors (FII)</b>	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate.</li> <li>• Authorized signatories list with specimen signatures</li> </ul>
<b>Army/Government Bodies</b>	<ul style="list-style-type: none"> <li>• Self-certification on letterhead.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Registered Society</b>	<ul style="list-style-type: none"> <li>• Copy of Registration Certificate under Societies Registration Act.</li> <li>• List of Managing Committee members.</li> <li>• Committee resolution for persons authorised to act as authorised signatories with specimen signatures.</li> <li>• True copy of Society Rules and Bye Laws certified by the Chairman/Secretary</li> </ul>



C. OTHER DETAILS		
1.Gross Annual Income details(Please Specify):Income Range per Annum		
<input type="checkbox"/> Below Rs.1 Lac <input type="checkbox"/> 1-5 Lac <input type="checkbox"/> 5-10 Lac <input type="checkbox"/> 10-25 Lac <input type="checkbox"/> 25 Lacs-1 crore <input type="checkbox"/> 1crore		
2.Net-worth(should not be older than 1 year):	Amount	Rs.
	As on	DD/MM/YYYY
3.Name, PAN,residential address and photographs of Promoters/Partners/Karta/Trustees and whole time directors: (As per Annexure A provided)		
4.DIN/UID of Promoters/Partners/Karta and whole time directors: (As per Annexure A provided)		
5.Please tick,if applicable,for any of your authorized signatories/Promoters/Partners/Karta/Trustees/ whole time directors:	<input type="checkbox"/> Politically Exposed Person(PEP)	
	<input type="checkbox"/> Related to a Politically Exposed Person(PEP)	
6.Any other information:		

DECLARATION:	
I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I /we undertake to inform you of any change therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.	
x _____ Signature of the Authorised Signatory Name:	Date: DD/MM/YYYY

FOR OFFICE USE ONLY	
<input type="checkbox"/> (Originals Verified) True Copies of documents received <input type="checkbox"/> (Self-Attested) Self Certified Document copies received	
_____ Signature of the Authorised Signatory (alongwith Company Stamp)	
Date: DD/MM/YYYY	

**Annexure - 3**  
**TRADING ACCOUNT RELATED DETAILS**  
*(For Individuals & Non-individuals)*

**A. BANK ACCOUNT(S) DETAILS**

Bank Name	Branch address	Bank account no.	Account Type:	MICR Number	A/c Statement Requirements
			<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Others		<input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly
				<b>IFSC Code</b>	

**B. DEPOSITORY ACCOUNT(S) DETAILS**

Depository participant Name	Depository Name	Beneficiary Name	DP ID	Beneficiary ID(BO ID)
	NSDL CDSL			

**C. TRADING PREFERENCES:**\* Please sign in the relevant boxes where you wish to trade. Please struck off the Segment not chosen by the you.

EXCHANGE	NSE & BSE				NSE	MCX
ALL SEGMENTS	CASH	F&O	CURRENCY	SLB	Commodity Derivatives	Commodity
<b>IF You do not wish to trade in any of segments please mention here</b>						

Note: If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter is required from the client.

**D.PAST ACTIONS:**Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its Partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years:

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**E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS**

If client is dealing through the sub-broker, provide the following details:

Sub-Broker's Name		SEBI Regn No.	
Regd Office Address:			
	City:	PIN Code:	State: Country:
Contact Details	Phone No:		Fax: <input type="text"/>
	Web-site: <input type="text"/>		

Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock brokers/sub-brokers, provide details of all)

Stock Broker Name		Sub-Broker Name,if any	
Client Code		Exchange	
Details of disputes/ dues pending from/to such stock broker/sub-broker:			

**F. ADDITIONAL DETAILS**

- Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify):  YES  NO

Specify your Email id, if applicable:

- Whether you wish to avail of the facility of internet trading/ wireless technology (please specify):  YES  NO
- Number of years of Investment/Trading Experience: \_\_\_\_\_
- In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others:

Sr.No	Name/Residential Address	Designation,Contact No.,PAN & UID	Photograph
1.	Name:	Designation	
	Address:	PAN	
		UID	
		Contact No.	
		Mob No.	
Signature	X		
2.	Name:	Designation	
	Address:	PAN	
		UID	
		Contact No.	
		Mob No.	
Signature	X		
3.	Name:	Designation	
	Address:	PAN	
		UID	
		Contact No.	
		Mob No.	
Signature	X		

For More Person, please use additional sheet as per this format.

- Any other information:

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**G. INTRODUCER DETAILS (optional)**

<b>Name of the Introducer:</b>	SURNAME	NAME	MIDDLE NAME
<b>Status of the Introducer:</b>	<input type="checkbox"/> Sub-Broker	<input type="checkbox"/> Emisier	<input checked="" type="checkbox"/> Authorised Person
	<input type="checkbox"/> Existing Client	<input type="checkbox"/> Others(pls Specify).....	
<b>Address:</b>			
<b>Contact No.</b>		<b>Signature:</b>	X

**DECLARATION :**

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker and the tariff sheet.
3. I/We further confirm having read and understood the contents of the 'Rights and Obligations' document(s) and 'Risk Disclosure Document'. I/We do hereby agree to be bound by such provisions as outlined in these documents. I/We have also been informed that the standard set of documents has been displayed for Information on stock broker's designated website, if any.

<b>Signature of Client/(all)Authorized Signatory(ies)</b>	X
<b>Place:</b>	<b>Date:</b>

**FOR OFFICE USE ONLY**

**UCC Code allotted to the Client:**

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	Documents Verified with Original	Client Interviewed by	In-Person verification done by
<b>Name of the Employee</b>			
<b>Employee Code</b>			
<b>Employee Designation</b>			
<b>Date</b>			
<b>Signature</b>			

I/ We undertake that we have made the client aware of 'Policy and Procedures', tariff sheet and all the non-mandatory documents. I/We have also made the client aware of 'Rights and Obligations' document (s), RDD and Guidance Note. I/We have given/sent him a copy of all the KYC documents. I/We undertake that any change in the 'Policy and Procedures', tariff sheet and all the non-mandatory documents would be duly intimated to the clients. I/We also undertake that any change in the 'Rights and Obligations' and RDD would be made available on my/our website, if any, for the information of the clients.

.....  
Signature of the Authorised Signatory  
( Seal/Stamp of the stock broker)

Date .....

## INSTRUCTIONS/ CHECK LIST

1. Additional documents in case of trading in derivatives segments - illustrative list:

Copy of ITR Acknowledgement	Copy of Annual Accounts
In case of salary income - Salary Slip, Copy of Form 16	Net worth certificate
Copy of demat account holding statement.	Bank account statement for last 6 months
Any other relevant documents substantiating ownership of assets.	Self declaration with relevant supporting documents.

*\*In respect of other clients, documents as per risk management policy of the stock broker need to be provided by the client from time to time.*

2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.

3. Demat master or recent holding statement issued by DP bearing name of the client.

4. For individuals:

a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.

b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.

5. For non-individuals:

a. Form need to be initialized by all the authorized signatories.

b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.

## Procedure for Filing Complaint on SCORES

- a. Register on SCORES portal to file complaints.
- b. Mandatory details for filing complaints on SCORES: Name, PAN, Address, Mobile Number, Email ID.
- c. Benefits:
  - Effective Communication
  - Speedy redressal of grievances

To lodge grievances, click on <https://scores.sebi.gov.in>

Click/visit on SEBI Complaints Redress System (SCORES) for Procedure for filing of complaints on SCORES and benefits.

**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, AUTHORISED PERSONS AND CLIENTS**  
*as prescribed by SEBI and Stock Exchanges*

1. The client shall invest/trade in those securities/contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker, Authorised Persons and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The Authorised Persons shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

**CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
10. The stock broker and Authorised Persons shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

## **MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

## **TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.

15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.

16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).

17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued there under.

## **BROKERAGE**

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

## **LIQUIDATION AND CLOSE OUT OF POSITION**

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.

23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.

26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.

28. The stock broker, Authorised Persons and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

29. In the event of demise/insolvency of the Authorised Persons or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the Authorised Persons by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to

the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

#### **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.

31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.

36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

#### **ELECTRONIC CONTRACT NOTES (ECN)**

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.

39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.

40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.

42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, Authorised Persons and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.

44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.

45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.

46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.

47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

## **INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT**

**(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.

2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.

3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.

5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker

6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.

8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.

9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.

10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

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## **Most Important Terms and Conditions (MITC)**

### **For non-custodial settled trading accounts**

1. Your trading account has a “Unique Client Code” (UCC), different from your demat account number. Do not allow anyone (including your own stock broker, their representatives and dealers) to trade in your trading account on their own without taking specific instruction from you for your trades. Do not share your internet/ mobile trading login credentials with anyone else.
2. You are required to place collaterals as margins with the stock broker before you trade. The collateral can either be in the form of funds transfer into specified stock broker bank accounts or margin pledge of securities from your demat account. The bank accounts are listed on the stock broker website. Please do not transfer funds into any other account. The stock broker is not permitted to accept any cash from you
3. The stock broker’s Risk Management Policy provides details about how the trading limits will be given to you, and the tariff sheet provides the charges that the stock broker will levy on you.
4. All securities purchased by you will be transferred to your demat account within one working day of the payout. In case of securities purchased but not fully paid by you, the transfer of the same may be subject to limited period pledge i.e. seven trading days after the pay-out (CUSPA pledge) created in favor of the stock broker. You can view your demat account balances directly at the website of the Depositories after creating a login.
5. The stock broker is obligated to deposit all funds received from you with any of the Clearing Corporations duly allocated in your name. The stock broker is further mandated to return excess funds as per applicable norms to you at the time of quarterly/ monthly settlement. You can view the amounts allocated to you directly at the website of the Clearing Corporation(s)
6. You will get a contract note from the stock broker within 24 hours of the trade.
7. You may give a one-time Demat Debit and Pledge Instruction (DDPI) authority to your stock broker for limited access to your demat account, including transferring securities which are sold in your account for pay-in.
8. The stock broker is expected to know your financial status and monitor your accounts accordingly. Do share all financial information (e.g. income, networth, etc.) with the stock broker as and when requested for. Kindly also keep your email Id and mobile phone details with the stock broker always updated
9. In case of disputes with the stock broker, you can raise a grievance on the dedicated investor grievance ID of the stock broker. You can also approach the stock exchanges and/or SEBI directly.
10. Any assured/ guaranteed/ fixed returns schemes or any other schemes of similar nature are prohibited by law. You will not have any protection/ recourse from SEBI/ stock exchanges for participation in such schemes.

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## **Annexure – 5**

### **RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS**

This document contains important information on trading in Equities/Derivatives Segments of the stock exchanges. All prospective constituents should read this document before trading in Equities/Derivatives Segments of the Exchanges.

Stock exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges /SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned stock broker. The constituent shall be solely responsible for the consequences and no contract can be rescinded on that account. You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract being traded on Stock exchanges.

It must be clearly understood by you that your dealings on Stock exchanges through a stock broker shall be subject to your fulfilling certain formalities set out by the stock broker, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant Stock exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

Stock exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of Stock exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

#### **1. BASIC RISKS:**

##### **1.1 Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility

in thinly traded securities / derivatives contracts than in active securities / derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

## **1.2 Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

**1.2.1** Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

## **1.3 Risk of Wider Spreads:**

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

## **1.4 Risk-reducing orders:**

The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

**1.4.1** A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

**1.4.2** A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.

**1.4.3** A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

### **1.5 Risk of News Announcements:**

News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.

### **1.6 Risk of Rumors:**

Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

### **1.7 System Risk:**

High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

**1.7.1** During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.

**1.7.2** Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.

### **1.8 System/Network Congestion:**

Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

**2. As far as Derivatives segments are concerned, please note and get yourself acquainted with the following additional features:-**

#### **2.1 Effect of "Leverage" or "Gearing":**

In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

### **2.2 Currency specific risks:**

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

### **2.3 Risk of Option holders:**

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.

2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

### **2.4 Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.

2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a

spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:**

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

### **4. GENERAL**

**4.1** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.

**4.2** The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

## Annexure – 1

Framework for Trading Members to provide the facility of voluntary freezing/ blocking the online access of the trading account to their clients on account of suspicious activities  
(per requirements of SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024)  
The framework for Trading Members for providing the facility of voluntary freezing/ blocking the online access of the trading account to their clients on account of suspicious activities as finalised by the Brokers' Industry Standards Forum in consultation with the Exchanges is as follows:

1. The Trading Members providing internet based trading/ mobile trading/ other online access for trading shall make available to the clients at least two modes of the following communications through which the client may request for voluntary freezing/ blocking the online access of trading account if any suspicious activity is observed in the trading account:
  - A) Email from registered e-mail ID
  - B) SMS from registered mobile number
  - C) IVR/tele calling
  - D) Chatbot
  - E) Trading Member's App / website
  - F) Any other legally verifiable mechanism
2. Where an e-mail ID and/or telephone number is provided by the Trading Member for this purpose, the said e-mail ID/ telephone number should be dedicated for receipt of communication for voluntary freezing/ blocking of the online access of the clients' trading account. The nomenclature of the dedicated e-mail Id shall be [stoptrade@domainname.com](mailto:stoptrade@domainname.com)
3. The Trading Member shall take the following actions on the receipt of request through any modes of communications as provided by the Trading Member for freezing/blocking of the online access of the trading account from the client:
  - a. Validate that the request is received from the client as per below point no. 4 and issue the acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client. The timelines for freezing/ blocking of the online access of the clients' trading account is as under: -

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.
Request received during the trading hours <sup>1</sup> and within 15 minutes before the start of trading.	Within 15 minutes <sup>2</sup>
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

1. Trading hours shall be as follows:  
Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., 11:30 Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m.,  
Commodity Derivatives Segment: 09.00 a.m. to p.m.
2. To begin with, the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the trading account. This time limit shall be contracted after a review in next six months after the date of its applicability to enhance protection of investors from suspicious activities.
  - b. Post freezing/blocking the client's trading account, send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.
  - c. Details of open positions (if any) should also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account. This will eliminate the risk of unwanted delivery settlement. This time limit shall be contracted after a review in the next six months after the date of its applicability to enhance protection of investors from suspicious activities.
4. The Trading Member shall have a mechanism in place to validate that the request for freezing/blocking of the online access of the trading account is received from the respective client only. This can be done by the Trading Member by:
  - a) verifying whether request is received from the registered phone number/e-mail Id of the client; or where request is received from other than registered phone number/e-mail Id of the client, the Trading Member should have a client authentication procedure (2 Factor Authentication) in place or
  - b) Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time.
5. The Trading Member shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.
6. In case of failure of the Trading Member in freezing/ blocking the online access within the prescribed timelines ( 15 minutes in case the request is received during the trading hours and within 15 minutes before the start of trading / Before the start of the next trading session in case the request is received after the trading hours and 15 minutes before the start of the trading ), Trading Member shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked / frozen.
7. Re-enabling the client for online access of the trading account: - The Trading Member shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.

8. It is clarified that:
  - a. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member.
  - b. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.
9. The Trading Member shall frame a policy on the above guidelines, which shall be the part of the Trading Member's Risk Management Policy. The Trading Member shall disclose on their website, the above policy along with the process and mode(s) through which the client can place the request to freeze/block & unfreeze / unblock the trading account along with the timelines that will be followed by the Trading Member for the same. The same shall be communicated to the new clients as a part of account opening kit with effect from July 01, 2024, and to the existing clients by July 01, 2024 via e- mail or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular No.NSE/INSP/52604 dated June 10, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

## **Policy on Handling of Good Till Cancelled Orders offered by Members to Clients**

It has been observed that certain members offer Good Till Cancelled/Good Till Triggered orders or orders of similar type to their clients that enables clients to place buying and selling orders by specifying the price and also the time frame for which an order would remain valid for placing on the Stock Exchange platform.

In case of corporate actions, such orders could lead to absurd trades and investors are at risk of facing losses. Since the aforesaid types of orders are offered by members, mechanism for handling such orders varies from member to member. In case of a corporate action, while certain members cancel such orders, other brokers do not cancel the same.

In view of the above, it has been decided in consultation with SEBI and Broker's Industry Standards Forum that the members, who offer Good Till Cancelled/Good Till Triggered orders or orders of similar type, shall formulate a policy for the same. The policy shall include:

- Details of Good Till Cancelled/Good Till Triggered/orders of similar type provided by member including its validity.
- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

Further, the said policy shall be made part of the Account Opening Form/Kit under heading "Policy on Handling of Good Till Cancelled Orders of Client" of Policy and Procedures document and the member shall also make available the said policy to their clients by displaying the same on their website/trading application, if any.

The members are also requested to note that the said policy shall be informed to the existing clients via email or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular NSE/INSP/52604 dated June 10, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

# Investor Charter – Stock Brokers

## 1. VISION

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

## 2. MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep 'protection of investors' interest' as goal while providing service.
- v) To ensure confidentiality of information shared by investors unless such information is required to be provided in furtherance of discharging legal obligations or investors have provided specific consent to share such information.

## 3. Services provided to Investors by stockbrokers include

- I. Execution of trades on behalf of investors.
- II. Issuance of Contract Notes.
- III. Issuance of intimations regarding margin due payments.
- IV. Facilitate execution of early pay-in obligation instructions.
- V. Periodic Settlement of client's funds.
- VI. Issuance of retention statement of funds at the time of settlement.
- VII. Risk management systems to mitigate operational and market risk.
- VIII. Facilitate client profile changes in the system as instructed by the client.
- IX. Information sharing with the client w.r.t. relevant Market Infrastructure Institutions (MII) circulars.
- X. Provide a copy of Rights & Obligations document to the client.
- XI. Communicating Most Important terms and Conditions (MITC) to the client.
- XII. Redressal of Investor's grievances.

## 4. Rights of Investors

- I. Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself (including website providing mandatory information).
- II. Receive complete information about the risks, obligations, and costs of any investment before investing.
- III. Receive a copy of all completed account forms and rights & obligation document.
- IV. Receive a copy of 'Most Important Terms & Conditions' (MITC).
- V. Receive account statements that are accurate and understandable.
- VI. Understand the terms and conditions of transactions you undertake.
- VII. Access your funds in a prescribed manner and receive information about any restrictions or limitations on access.
- VIII. Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties in form of tariff sheet.
- IX. Discuss your grievances with compliance officer / compliance team / dedicated grievance redressal team of the firm and receive prompt attention to and fair consideration of your concerns.
- X. Close your zero balance accounts online with minimal documentation.
- XI. Get the copies of all policies (including Most Important Terms and Conditions) of the broker related to dealings of your account
- XII. Not be discriminated against in terms of services offered to equivalent clients

- XIII. Get only those advertisement materials from the broker which adhere to Code of Advertisement norms in place
- XIV. In case of broker defaults, be compensated from the Exchange Investor Protection Fund as per the norms in place
- XV. Trade in derivatives after submission of relevant financial documents to the broker subject to brokers' adequate due diligence.
- XVI. Get warnings on the trading systems while placing orders in securities where surveillance measures are in place
- XVII. Get access to products and services in a suitable manner even if differently abled
- XVIII. Get access to educational materials of the MIIs and brokers
- XIX. Get access to all the exchanges of a particular segment you wish to deal with unless opted out specifically as per Broker norms
- XX. Deal with one or more stockbrokers of your choice without any compulsion of minimum business
- XXI. Have access to the escalation matrix for communication with the broker
- XXII. Not be bound by any clause prescribed by the Brokers which are contravening the Regulatory provisions.

#### 5. Various activities of Stock Brokers with timelines

S. No.	Activities	Expected Timelines
1	KYC entered into KRA System and CKYCR	3 working days of account opening
2	Client Onboarding	Immediate, but not later than one week
3	Order execution	Immediate on receipt of order, but not later than the same day
4	Allocation of Unique Client Code	Before trading
5	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6	Issuance of contract notes	24 hours of execution of trades
7	Collection of upfront margin from client	Before initiation of trade
8	Issuance of intimations regarding other margin due payments	At the end of the T day
9	Settlement of client funds	First Friday/Saturday of the month / quarter as per Exchange pre- announced schedule
10	'Statement of Accounts' for Funds, Securities and Commodities	Monthly basis
11	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12	Issuance of Annual Global Statement	30 days from the end of the financial year
13	Investor grievances redressal	21 calendar days from the receipt of the complaint

## 6. DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> <li>1. Read all documents and conditions being agreed before signing the account opening form.</li> <li>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.</li> <li>3. Read the product / operational framework / timelines related to various Trading and Clearing &amp; Settlement processes.</li> <li>4. Receive all information about brokerage, fees and other charges levied.</li> <li>5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.</li> <li>6. If executed, receive a copy of Demat Debit and Pledge Instruction (DDPI) However, DDPI is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting DDPI, carefully examine the scope and implications of powers being granted.</li> <li>7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT/CTT etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities/ commodities on time, as prescribed by SEBI or exchange from time to time.</li> <li>9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.</li> <li>10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (Monthly or Quarterly).</li> <li>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</li> <li>12. Retain documents for trading activity as it helps in resolving disputes, if they arise.</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not deal with unregistered stock broker.</li> <li>2. Do not forget to strike off blanks in your account opening and KYC.</li> <li>3. Do not submit an incomplete account opening and KYC form.</li> <li>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.</li> <li>5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.</li> <li>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.</li> <li>7. Do not opt for digital contracts, if not familiar with computers.</li> <li>8. Do not share trading password.</li> <li>9. Do not fall prey to fixed / guaranteed returns schemes.</li> <li>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.</li> <li>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments</li> </ol>

Additionally, Investors may refer to Dos and Don'ts issued by MIIs on their respective websites from time to time.

## 7. Grievance Redressal Mechanism

The process of investor grievance redressal is as follows:

1	Investor complaint/Grievances	<p>Investor can lodge complaint/grievance against stock broker in the following ways:</p> <p><u>Mode of filing the complaint with stock broker</u></p> <p>Investor can approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 21 days of the receipt of the grievance</p> <p><u>Mode of filing the complaint with stock exchanges</u></p> <p>i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI) (<a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a>)</p> <p><u>Two level review for complaint/grievance against stock broker:</u></p> <ul style="list-style-type: none"> <li>• First review done by Designated body /Exchange</li> <li>• Second review done by SEBI</li> </ul> <p>ii. Emails to designated email IDs of Exchange</p>
2	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	<p>If the Investor is not satisfied with the resolution provided by the Market Participants, then the Investor has the option to file the complaint/grievance on SMARTODR platform for its resolution through online conciliation or arbitration.</p>
3	Steps to be followed in ODR for Review, Conciliation and Arbitration	<p>1. Investor to approach Market Participant for redressal of complaint</p> <p>2. If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options:</p> <p>i. May escalate the complaint on SEBI SCORES portal.</p> <p>ii. May also file a complaint on SMARTODR portal for its resolution through online</p>

		<p>conciliation and arbitration.</p> <ol style="list-style-type: none"> <li>3. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavor to resolve the matter between the Market Participant and investor within 21 days</li> <li>4. If the matter could not be amicably resolved, then the matter shall be referred for conciliation</li> <li>5. During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator with consent of the parties to dispute.</li> <li>6. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.</li> <li>7. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days with consent of the parties to dispute.</li> </ol>
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**8. Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM)**

**Default of TM/CM**

Following steps are carried out by Stock Exchange for benefit of investor, in case stock broker defaults:

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period.

Following information is available on Stock Exchange website for information of investors:

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.
- Standard Operating Procedure (SOP) for handling of Claims of Investors in the Cases of Default by Brokers.
- Claim processing policy against Defaulter/Expelled members
- List of Defaulter/Expelled members and public notice issued

## Annexure-6

### GUIDANCE NOTE - DO'S AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

#### BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges [www.nseindia.co](http://www.nseindia.co), and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

#### TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/ deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards

outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.

d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.

15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

#### **IN CASE OF TERMINATION OF TRADING MEMBERSHIP**

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

#### **DISPUTES/ COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.

19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## **POLICIES & PROCEDURES -Client Registration**

In order to ensure proper compliance with various Notices/Circulars /Guidelines issued by SEBI/Exchanges and uniformity the Company has prescribed the **Policies & Procedure** as under for guidance of all employees in HO/all Branches which is to be strictly followed by all.

### **[1] Refusal of orders for penny stocks**

There is no formal list of the "Penny Stocks" issued by the Exchanges/SEBI. However there are shares of certain companies which are called/known as "Penny Stocks" in the Market. These shares may be part of the list of "Illiquid Stocks" issued by the Exchanges from time to time but not necessarily so in all cases. As dealing in these stocks (in physical form or demat form) is risky the Company (as a stock broker) may declined to carry out Buy/Sale Order/s of any client for so called "Penny Stock"

### **[2] Setting up of Client's Exposure limits**

The Company will fix the limit in value for each and every Client for which Buy/Sell Order/s of any particular Client will be executed in normal course based on "Income level" for the year confirmed by the Client and other considerations. The Company will not disclose the rational / logic of their decision (about fixation of the monetary limit). However if requested by the Client for any specific transaction/s to be carried out as a special case then it may be considered on merit.

### **[3] Applicable Brokerage Rate**

At present SEBI permits maximum brokerage @ 2.5%.The Company charge brokerage to their Clients at the rate/s below this maximum limit. Each client will be intimated the rate at which brokerage will be charged to him / her / it. This rate will be revised by the Company based on volume of the Client's business / market conditions / other relevant factors. Any change in the rate of brokerage will be intimated to the Client in writing in advance. Any change in brokerage will be done only after consented by the client.

### **[4] Imposition of penalty /delayed payment charges by either party -Rate/Period**

All Clients who have agreed to have a "Running Account" with the Company will have to make payments due to the Company on due date/s. In all cases if payment is not made to the Company on due date penalty / delayed payment charges for delay in payment of amount relating to settlement, margin or any other dues relating to securities transactions @ 18% per annum. These charges shall be levied from the date of debit balance till the credit of payment in our bank account.

### **[5] The right to sell client's securities or close client's position, without giving notice to the client, on account of non-payment of client's dues.**

In case any particular Client has failed to make payment on due date then the Company will sell that particular client's securities or close that particular client's position, without giving notice to the client on account of non-payment of dues.

### **[6]Shortages in obligations arising out of internal netting of trades**

In case of NSE, shortages arising out of Internal Netting of trades, client shortages are closed out by company at 10% above the closing rate of that particular scrip of auction date.

In case of shortages due to Internal Netting of trades if the Company is required to pay any penalty to the Exchange/s it will be charged to the Client concerned.

**[7] Conditions under which a client may not be allowed to take further position or broker may close the existing position of a client.**

It is to be noted that under following circumstances any Client will not be allowed to take further position or the Company may close that particular Client's position (i) If the particular Client is a Defaulter of amount due to the Company (ii) Value of the Collateral is not sufficient to meet the Losses incurred by the Client (iii) If according to the Company Market Conditions has turned or likely to turn unfavorable based on the information available or it is the view of the matter taken by the Company. (iv) That particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s.

**[8] Temporarily suspending or closing a client's account at the client's request**

It is to be noted that under following circumstances any particular Client's Account may be Suspended / Closed (i) On receipt of Written Instruction from that particular Client (ii) that particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s (iii) The particular Client who has defaulted in making payment on due date to the Company (iv) on receipt of any adverse information by the Company about the particular Client.

**[9] Deregistering a client.**

It is to be noted that any particular Client/s who is/are covered under any of the following category will be deregistered.

(i) that particular Client/s is/are barred from Trading on the Exchange/s by SEBI/Exchange/s (ii) The particular Client who has defaulted in making payment on due date to the Company (iii) on receipt of any adverse information by the Company about the particular Client (iv) The Client NOT trading through the Company continuously for more than 12 months.

**10. Treatment of Inactive Accounts**

The Clients who are inactive for the period of six months will be locked for further trading in order to avoid erroneous punching of order. Such customers can get their accounts activated by requesting in writing only to their relationship manager or sub-broker.

## Annexure-7

### BROKERAGE AND STATUTORY CHARGES FOR TRADING ACCOUNT(Tariff Sheet)

Further, I agree to the following terms of doing business:    SE    E    MEI (CD)

Segment	Sq.off %		Sq. off Min(ps)		Settlement %		Settlement Min(ps)	Delivery %	Delivery Min(ps)
	Buy	Sell	Buy	Sell	Buy	Sell			
Cash									
Futures									
Options									
Currency Future									
Currency Option									

The above brokerage rates are subject to the minimum brokerage as applicable/intimated to the client from time to time.

**Note:**

1. In addition to above, Securities Transaction Tax, GST , SEBI Fee, Clearing charge & any other charges as levied by the Exchanges, Clearing Corporation , Clearing Member , SEBI, Central Govt., and local authorities etc will be payable by the client.

Client's Signature:

Date:

Name of the Client:

**EVERMORE SHARE BROKING PRIVATE LIMITED** **Date:**  
**UNIT -1-A 15TH FLOOR,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT**

Dear Sirs,

Sub: Information through E Mail

This is to inform you that I/We am/are also desirous of receiving the information as below on my/our registered email id as provided in the KYC Form, for the purpose of receiving Electronic Contract Notes(ECN).

- Copy of my KYC Application Form duly filled in & Signed
- Digitally Signed Contract Notes/Bills
- Statement of Accounts/Ledgers
- Statement of Funds & Securities
- Margin Statement relating to my/our account
- Any other important notice, Circular or Communications including changes in the terms and conditions of service.

I/We understand that any change in my/our email ID can be made by you only against a physical letter personally signed by me/us.

I/We also understand that Non-Bouncing of the said information shall be construed as a valid deemed delivery of the same.

Failure on my/our part to check/verify my/our E-Mail account on regular basis shall not be a reason for disputing the receipt of the same, at any time and the payment obligations and transactions and trades shall be adhered to and cleared by me/us.

Thanking You,

Yours faithfully,

X

Client Name:

Client Code:



**Mandatory (For HUF)**

Date:

To,

**EVERMORE SHARE BROKING PRIVATE LIMITED**

**UNIT -1-A 15TH FLOOR,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT**

**Sub: Declaration as "Karta"**

This is to certify that, I \_\_\_\_\_ is the Karta of \_\_\_\_\_ HUF. The member comprising of the HUF are as follows:

No.	Name of Member	Sex	Relation with Karta	Date of Birth	Signature
1.					
2.					
3.					
4.					

**Further in case of any change due to Death/Marriage/Birth etc. in the list of above member, the same shall be intimated to EVERMORE SHARE BROKING PRIVATE LIMITED.**

**Yours faithfully,**

**(Signature with Stamp)**

TO,  
EVERMORE SHARE BROKING PRIVATE LIMITED  
UNIT NO.003 FIRST FLOOR RAGHULEELA MEGA MALL OFF. S. V. ROAD  
KANDIVALI WEST MUMBAI - 400067

Dear Sir,

**Re: Letter for authorized signatories**

Kindly Find below a list of authorized signatories to represent us, their authority including but restricted to

1. Placing/ modifying/ cancelling orders on our behalf
2. Acknowledging contract notes issued by you to us for our trades
3. All other communications from us to you

	<b>Name of the signatories</b>	<b>Signature</b>	<b>Relation, if any</b>
<b>1</b>			
<b>2</b>			
<b>3</b>			

**Client Signature**

**Authority to debit the Demat Account Operating Charges**

Date : \_\_\_\_\_

To,

**EVERMORE SHARE BROKING PRIVATE LIMITED**  
**UNIT -1-A 15TH FLOOR ,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT**

Dear Sir,

This has reference to my Trading & Beneficiary accounts opened with Evermore Stock Brokers Private Limited, the particulars of which are as under.

Beneficiary Client Id	
Trading Account Code	

With regard to these accounts, and for the sake of my operating convenience, I request and authorize you to debit the bills raised by you, pertaining to the depository services, provided to me to my trading account only. Any such sum debited to my/our Trading account shall be binding on me/us, and shall not be objected to.

Kindly do the needful as requested.

Signature of the Client

Client Name:

=====

**Authorization for Adjustment between Different Segments & Exchanges**

To,

**EVERMORE SHARE BROKING PRIVATE LIMITED**  
**UNIT -1-A 15TH FLOOR,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT**

Dear Sir,

I understand that the regulations governing the Capital Market do not encourage adjustment of balances arising out of dealings of Clients in different segments or exchanges.

However while appreciating the above, I /We would like to avoid inconvenience of making and receiving multiple payments and also make potential use of my funds, in my opinion, this optimization is possible, if I /We can deal with my/our account with you on a consolidated basis.

I therefore request & voluntarily authorize you to consider my/our account on a consolidated basis, accordingly you may adjust Inter-Exchange or Inter-Segment, Debit & Credit balances with each other, without reference to me/us, the same shall not be objected to by me/us.

Thanking You

Yours faithfully

Client Name:

EVERMORE SHARE BROKING PRIVATE LIMITED  
UNIT -1-A 15TH FLOOR,TOWER -1 GIFT CITY GANDHINAGAR 382355 GUJARAT

Date:

Dear Sir,  
Sub. : Mobile Phone Communication/SMS Alerts

This is to confirm that my /our registered mobile number, which is as under, is registered in my/our name/in the name of our organization \_\_\_\_\_ of who is related to me as my spouse/Dependent child/Dependent Parent/Supporting Parent\*(Strike off the inapplicable) or our authorized person.

+	9	1												
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Further, I /We hereby request and authorize you to provide any information relating to my/our account (Bill Summary/Receipts & Payments/ Available margin for next trading day and Stock deliveries etc.) with you by way of telephonic calls or SMS alerts.

Sending of the above information to me in the manner as above shall not be construed as violation of any "Do Not Disturb Registry (DND)" made by me.

I understand that providing of the information in the above manner is an additional and voluntary service on your part, and therefore any failure on your part to provide any information in the above manner, for any reason what so ever, shall not give me a right to make a claim against you.

Delivery of any information made to me in the above manner shall be considered as valid delivery of the information so provided.

Thanking you

Yours faithfully,

Client Name:

**Client's Signature**

**\*Please note that mobile number of any person other than your relatives mentioned above is not permitted to be used by you.**

Date:

To,

**EVERMORE SHARE BROKING PRIVATE LIMITED**  
**UNIT -1-A 15 TH FLOOR, TOWER -1 GIFT CITY GANDHI NAGAR 382355 GUJARAT**

Dear Sir/Madam,

**Sub: Availing of SMS and E-Mail Alerts sent by stock exchanges directly to Investor**

**Ref: Trading & Unique Client Code \_\_\_\_\_**

With reference to the above subject, I/We wish to avail,

SMS Alerts

Email Alerts

Both SMS and Email Alerts

provided by the Exchanges(NSE/BSE) through which I/We will get transaction details directly from the Exchanges.

In this regard, find below the necessary details:

<b>Mobile Number for SMS Alert</b>											
<b>Email Id for Email Alerts</b>											

I/We also request you to add the above given mobile number/Email Id in all your records for my trading account.

Thanking you

Yours truly,

<b>Client Signature</b>	
<b>Client Name</b>	

# FORMATS

**ON THE LETTER HEAD OF THE COMPANY**

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF M/S \_\_\_\_\_  
(Company Name) AT \_\_\_\_\_ (Address)

HELD ON \_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_ AT \_\_\_\_ A.M/PM.

**Resolved** that the Company be registered as Client with M/s EVERMORE SHARE BROKING PRIVATE LIMITED., a Trading member of the National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange (BSE) for the purpose of dealing in Cash Market, F& O, & Currency Derivatives Segment as the Said Member be and is hereby authorised to honour instructions oral or written, given on behalf of the Company by any of the under noted authorised signatories.

- 1. (Director Name) Authorised Signatory
- 2. (Director Name) Authorised Signatory

who are authorised to sell, purchase, transfer, endorse, negotiate and/ or otherwise deal through Evermore Stock Brokers Pvt Ltd on behalf of the Company.

**Resolved** Further that Mr. \_\_\_\_\_ and Mr. \_\_\_\_\_ Directors of the Company be and are hereby authorised to sign, execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to give affect to their resolution.

**And Resolved** Further that, the Common seal of the Company be affixed, wherever necessary, in the presence of any Directors or any one director, who shall sign the same in token of their presence.

**For** (Name of the Company)

Director Name Director Name  
(Director) (Director)

Specimen Signature of the Authorised Persons:

Sr. No.	Name	Signature
1.		
2.		

ON THE LETTER HEAD OF THE COMPANY

LIST OF DIRECTORS:

<b>Sr.No.</b>	<b>Name</b>	<b>DIN No.</b>	<b>PAN NO.</b>	<b>Address</b>

## ON LETTER HEAD OF PARTNERSHIP FIRM

We the partners of \_\_\_\_\_ hereby authorize the firm in terms of Clause no. \_\_\_ of the partnership deed dated \_\_\_\_\_ to register as Client with EVERMORE SHARE BROKING PRIVATE LIMITED., Member of the National Stock Exchange of India Ltd.(NSE) Bombay Stock Exchange (BSE) and for the purpose of dealing in equity, derivatives, Currency Derivative ,Government Securities, Bonds, Debentures, Fixed Income products and any other securities as the said Member be and is authorised to honor instruction oral or written, given on behalf of the firm/trust by any one of the under mentioned partners:

Sr. No	Name	Father Name
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1.

2.

Who are authorized to sell, purchase, transfer, endorse, negotiate and/or otherwise deal through Evermore Stock Brokers Pvt Ltd on behalf of the firm/trust.

Any one of the above persons are hereby authorised to sign, execute and submit such application, undertakings, agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to give effect to this authority.

**For Name of Partnership Firm**

**Name & Sign**

**(Partner)**

**Name & Sign**

**(Partner)**