



**YUG SECURITIES LIMITED**  
AND SECURITIES LIMITED

**WELCOME TO YUG**

Client Name		Client Code	
Branch Name		Branch Code	
RM Name		RM Emp. Code	
Trading Mode	<input type="checkbox"/> Online <input type="checkbox"/> Offline		

## ACKNOWLEDGEMENT TO YUG FROM CLIENT

To,

**YUG SECURITIES LTD.**

Regd. Office:20 TCC 1ST FLOOR SECTOR 10 FARIDABAD (HARYANA)121006

Corp. Office:8/1 Ashoka Chamber ,5/B Rajendra Park,Pusa Road , 110060

I/we hereby confirm that I/we have read, understood, agreed and received a duly executed copy of the:-

- Account Opening Form
- Trading Account Related Details
- Tariff Sheet
- Right and Obligations of Stock Brokers, Sub-Brokers and Clients
- **Terms & Conditions as Mutually agreed by me & FATCA & CRS Terms & Conditions.**
- Risk and Disclosure document for capital market and derivative segments
- Guidance note-Do's and Don't for trading on the Exchange(s) for Investors
- Policies and procedures
- Other disclosure/documents as agreed by me specifically in voluntary segment.

I/we am/are abiding by these terms & conditions. I/we reconfirm that I/we and stock broker shall refer any claim and/or disputes with respect to deposits, margin money, etc, to arbitration as per the Rules, Byelaws, and Regulation of the Exchanges where the trade is executed and circulars/notices issued there under as may be in force from time to time.

Thanks and Best regards,

Client Code : \_\_\_\_\_

For **YUG SECURITIES LTD.**

For \_\_\_\_\_

Sign here : (1)

Authorised Signatory Name

Authorised Signatory / Director

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

(Tear Here)

## ACKNOWLEDGEMENT TO CLIENT FROM YUG

**YUG SECURITIES LTD.**

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

We hereby acknowledge the receipt of the Account Opening Form (KYC) with thanks from

Client Name	
Client PAN	
Head Office	20 TCC 1ST FLOOR SECTOR 10 FARIDABAD (HARYANA)121006 PH 011 -45088582 EMAIL ID <a href="mailto:mail@yugsecurities.com">mail@yugsecurities.com</a>

**DOCUMENTS REQUIRED AS PER SEBI CIRCULAR CIR/MIRSD/16/2011 DATED 22-08-2011**  
 Read with SEBI Circular bearing Reference No. MIRSTD/SE/CIR-19/2009 dated 3-12-2009

S.No.	Name of the Document	Brief Significance of the Document	Page No.
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES- DOCKET A (Part-I)</b>			
1.	Account Opening Form	KYC form- Basic information about the client	1-4
2.	Trading Account Related Details	Additional information about the client relevant to trading account	5-7
3.	Tariff Sheet	Detailing the rate / amount of brokerage & other charges	8

**MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES- DOCKET A (Part-II)**

1.	Rights and Obligations	Document stating the Rights and Obligations of stock brokers/trading member, sub-broker and client for trading on Exchanges (including additional rights & obligations in case of internet/wireless technology based trading)	Client Copy
2.	Risk Disclosure Document(RDD)	Detailing risks associated with dealing in the securities market	
3.	Guidance Note	Do's and Don'ts for Trading on the Exchange(s) for Investors	
4.	Policies and Procedures	Contains guidelines stipulated by Member with respect to dealings with clients	

**VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER- DOCKET B**

S.No	Name of Documents	Brief Significance of the Documents	Page No
1.	General Authorisation by the Client	General Authorisation by the Client	9-11
2.	Declaration by HUF	Declaration by Karta & all the Co-parceners	12
3.	FATCA & CRS Declaration	FATCA & CRS Declaration for Individual & Non-Individual	13-19

Name of Stock Broker- **YUG SECURITIES LTD.**  
 Regd. Office:20 TCC 1ST FLOOR SECTOR 10 FARIDABAD (HARYANA)121006  
 Corp. Office:8/1 Ashoka Chamber ,5/B Rajendra Park,Pusa Road , 110060

CEO : Mr. Bhushan Mendiratta  
 Phone no. : 011-47506321, Email id:  
 bhushan@yugsecurities.com

Compliance Officer : Mr. Bhushan Mendiratta  
 Phone no. : 011-47506321, Email id: bhushan@yugsecurities.com

I/We have fully understood the distinction and details regarding the Mandatory/Non-Mandatory documents as above and do hereby enter and sign the same and agree not to call into question the validity, enforceability and applicability of any voluntary agreement(s)/ document(s) or clauses within any voluntary/optional agreement(s)/document(s) under any circumstances what so ever.

**PRO DISCLOSURE INFORMATION (For YUG SECURITIES LTD.)**

To,

Dear Client,

Sir/Madam,

This is to inform you that we do client based trading and Pro-account Trading in National Stock Exchange of India Limited (NSE)/Bombay Stock Exchange Limited (BSE)/**MSEI** Stock Exchange of India Limited (MSEI)

Thanks & best regards,

For YUG SECURITIES LTD.

Authorised Signatory / Director

I acknowledge the receipt of the information given by YUG SECURITIES LTD. that they do client based trading and Pro-account trading.

Sign here : (2)

<b>NSE</b>	<b>YUG SECURITIES LTD.(CM CODE M51526)</b>
<b>(TM CODE 12994)</b>	<b>SEBI Reg. No.INB-231299430 (cash)</b>
	<b>SEBI Reg. No. INF-231299430 (F&amp;O)</b>
	<b>SEBI Reg. No. INE-231299430 (Currency)</b>

<b>BSE</b>	<b>YUG SECURITIES LTD.</b>
<b>(TM CODE 6474)</b>	<b>SEBI Reg. No.INB011299436 (cash)</b>
	<b>SEBI Reg. No. INF011299436 (F&amp;O)</b>
	<b>SEBI Reg. No. INF011299436 (Currency)</b>

<b>MSEI</b>	<b>YUG SECURITIES LTD.</b>
<b>(TM CODE 16700)</b>	<b>SEBI Reg. No.INB-261299433 (cash)</b>
	<b>SEBI Reg. No. INF-261299433 (F&amp;O)</b>
	<b>SEBI Reg. No. INE-261299433 (Currency)</b>

#### **EXCHANGE-WISE INVESTOR GRIEVANCE CELL**

<b>Exchange</b>	<b>Web Address</b>	<b>Contract No.</b>	<b>Email - Id</b>
NSE	www.nseindia.com	022-26598100	ignse@nse.co.in
BSE	www.bseindia.com	022-22721233	is@bseindia.com / iscdelhi@bseindia.com
MSEI	www.msei.in	022-67318933	investorcomplaints@msei.in

# Application Form (For Individuals Only)

Please fill in ENGLISH and in BLOCK LETTERS with black ink

KYC Number of applicant



## A. Identity Details (please see guidelines overleaf)

1. Name of Applicant (As appearing in supporting identification document).

Name*	Prefix	First Name	Middle Name	Last Name
Maiden Name (if any*)				
Father / Spouse Name*				
Mother Name*				

2. Gender  Male  Female  Transgender B. Marital status  Single  Married  Others C. Date of Birth  d  d  m  m  -  y  y  y  y

3. Nationality / Citizenship\*  Indian  Other (Please specify)

4. Residential Status\*  Resident Individual  Non Resident Indian  Foreign National  Person of Indian Origin  
(If Non Resident/Foreign National, self certified copy of statutory approval obtained must be attached)

Occupation (Please tick (✓) any one and give brief details):

Private Sector Service  Public Sector  Government Service  Business  Professional  Agriculturist  
 Retired  Housewife  Student  Others (Please specify)

5. PAN  Please enclose a duly attested copy of your PAN Card

Unique Identification Number (UID)/Aadhaar, if any: \_\_\_\_\_

6. Proof of Identity submitted for PAN exempt cases Please Tick (✓) (Please see guideline 'D' overleaf  
 UID (Aadhaar)  Passport  Voter ID  Driving Licence  Others

### PHOTOGRAPH

Please affix  
the recent passport  
size photograph and  
sign across it



## B. Address Details (please see guidelines overleaf)

1. Address for Correspondence

City / Town / Village	Country	Pin Code
State		

### 2. Contact Details

Tel. (Off.) <input type="checkbox"/> (ISD) <input type="checkbox"/> (STD)	Tel. (Res.) <input type="checkbox"/> (ISD) <input type="checkbox"/> (STD)
Mobile <input type="checkbox"/> (ISD) <input type="checkbox"/> (STD)	Fax <input type="checkbox"/> (ISD) <input type="checkbox"/> (STD)

MOBILE given by me belongs to  Me  my Spouse  Dependent children  Dependent Parent

E-Mail Id.

E-MAIL ID given by me belongs to  Me  my Spouse  Dependent children  Dependent Parent

No E-mail Declaration I hereby declare that I do not have any e-mail ID

3. Specify the Proof of Address submitted for Residence / Correspondence Address \_\_\_\_\_

4. Permanent Address of Resident Applicant if different from above B1 OR Overseas Address (Mandatory) for Non-Resident Applicant

City / Town / Village	Country	Pin Code
State		

5. Specify the Proof of Address submitted for Residence / Permanent Address \_\_\_\_\_

## C. Fatca & CRS Detail

Nationality/Tax Residency/Citizen ship Other than India  No  Yes

Country of Birth <input type="checkbox"/>	Place/City of Birth <input type="checkbox"/>
Country of Citizenship/Nationality <input type="checkbox"/>	
Country of Tax Residency (Other Than India) <input type="checkbox"/>	
Tax Payer Identification Number (Other Than India) <input type="checkbox"/>	

## D. Details of Related Person

Guardian of Minor  Authorised Representative

Name* <input type="checkbox"/>	Prefix	First Name	Middle Name	Last Name
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## DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I under take 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. I hereby declare that I am not making this application for the purpose of contravention of any Act, Rules, Regulations or any statute of legislation or any notifications/directions issued by any governmental or statutory authority from time to time. I hereby give my consent for receiving information including Central KYC Registry through SMS/Email on the above registered number/email address.

Place: \_\_\_\_\_

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

## SIGNATURE OF APPLICANT

(3)

Intermediary name OR code \_\_\_\_\_

(Originals Verified) Self Certified Document copies received

(Attested) True copies of documents received

Main Intermediary

Seal/Stamp of the intermediary should contain
Staff Name
Designation
Name of the Organization
Signature
Date

## FOR OFFICE USE ONLY

### IN-PERSON VERIFICATION (IPV)

### DOCUMENTS VERIFIED WITH ORIGINALS

### CLIENT INTERVIEWED BY

Date :  d  d /  m  m /  y  y  y  y

Institution Name & Code: \_\_\_\_\_

Employee/AP Details :

Name : \_\_\_\_\_

Code : \_\_\_\_\_

Designation : \_\_\_\_\_

Signature : \_\_\_\_\_



## INSTRUCTIONS / CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients.
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/PIOCard/OCICard 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 amin or, 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. PAN card with photograph. This is a mandatory requirement for all applicants except those who are specifically exempt from obtaining PAN (listed in Section D).
2. Unique Identification Number (UID) (Aadhaar)/Passport/Voter ID card/Driving license.
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

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

Types of entity	Documentary requirements
Corporate	<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> <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>
Partnership firm	<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>
Trust	<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).Copy of Trust deed</li> <li>• List of trustees certified by managing trustees/CA</li> <li>• Photograph, POI, POA, PAN of Trustees</li> </ul>
HUF	<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>
Unincorporated Association or a body of individuals	<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>
Banks/Institutional Investors	<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>
Foreign Institutional Investors (FII)	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate</li> <li>• Authorized signatories list with specimen signatures</li> </ul>
Army/Government Bodies	<ul style="list-style-type: none"> <li>• Self-certification on letterhead</li> <li>• Authorized signatories list with specimen signatures</li> </ul>
Registered Society	<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>

Please Submit the KYC Documents on A4 Size Paper Only.

## ANNEXURE

### Name, PAN, Residential Address and photographs of Promoters/Partners/Karta/Trustees and Wholetime/Other Directors :

1. Name \_\_\_\_\_

Date of Birth   d  d   /   m  m   /   y  y  y  y   Status \_\_\_\_\_ PAN \_\_\_\_\_

Residential Address  
\_\_\_\_\_  
\_\_\_\_\_

DIN \_\_\_\_\_ UID \_\_\_\_\_ DPIN \_\_\_\_\_

Photographs of  
Promoters / Partners /  
Karta / Trustees /  
Wholetime / Other  
Directors &  
authorised signatories

Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/Wholetime/Other Directors:

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)  Not a Politically Exposed Person (PEP)  Not Related to a Politically Exposed Person (PEP)

2. Name \_\_\_\_\_

Date of Birth   d  d   /   m  m   /   y  y  y  y   Status \_\_\_\_\_ PAN \_\_\_\_\_

Residential Address  
\_\_\_\_\_  
\_\_\_\_\_

DIN \_\_\_\_\_ UID \_\_\_\_\_ DPIN \_\_\_\_\_

Photographs of  
Promoters / Partners /  
Karta / Trustees /  
Wholetime / Other  
Directors &  
authorised signatories

Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/Wholetime/Other Directors:

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)  Not a Politically Exposed Person (PEP)  Not Related to a Politically Exposed Person (PEP)

3. Name \_\_\_\_\_

Date of Birth   d  d   /   m  m   /   y  y  y  y   Status \_\_\_\_\_ PAN \_\_\_\_\_

Residential Address  
\_\_\_\_\_  
\_\_\_\_\_

DIN \_\_\_\_\_ UID \_\_\_\_\_ DPIN \_\_\_\_\_

Photographs of  
Promoters / Partners /  
Karta / Trustees /  
Wholetime / Other  
Directors &  
authorised signatories

Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/Wholetime/Other Directors:

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)  Not a Politically Exposed Person (PEP)  Not Related to a Politically Exposed Person (PEP)

4. Name \_\_\_\_\_

Date of Birth   d  d   /   m  m   /   y  y  y  y   Status \_\_\_\_\_ PAN \_\_\_\_\_

Residential Address  
\_\_\_\_\_  
\_\_\_\_\_

DIN \_\_\_\_\_ UID \_\_\_\_\_ DPIN \_\_\_\_\_

Photographs of  
Promoters / Partners /  
Karta / Trustees /  
Wholetime / Other  
Directors &  
authorised signatories

Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/Wholetime/Other Directors:

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)  Not a Politically Exposed Person (PEP)  Not Related to a Politically Exposed Person (PEP)

5. Name \_\_\_\_\_

Date of Birth   d  d   /   m  m   /   y  y  y  y   Status \_\_\_\_\_ PAN \_\_\_\_\_

Residential Address  
\_\_\_\_\_  
\_\_\_\_\_

DIN \_\_\_\_\_ UID \_\_\_\_\_ DPIN \_\_\_\_\_

Photographs of  
Promoters / Partners /  
Karta / Trustees /  
Wholetime / Other  
Directors &  
authorised signatories

Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/Wholetime/Other Directors:

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)  Not a Politically Exposed Person (PEP)  Not Related to a Politically Exposed Person (PEP)

**TRADING & DEMAT ACCOUNT RELATED DETAILS**  
For both Individuals & Non-individuals

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

**I. PRIMARY BANK ACCOUNT DETAIL FOR TRADING & DEMAT ACCOUNT**

Bank Name	Bank Address	Bank Account No.	Account Type	MICR No.	IFSC Code
			<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> NRI <input type="checkbox"/> NRO		

**II. SECONDARY BANK ACCOUNT DETAIL FOR TRADING**

Bank Name	Bank Address	Bank Account No.	Account Type	MICR No.	IFSC Code
			<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> NRI <input type="checkbox"/> NRO		

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

Depository Participant Name	Depository Name (NSDL/CDSL)	Beneficiary Name	DP ID	Beneficiary ID (BO ID)

I authorize you to transfer the shares purchased by me to the above mentioned demat beneficiary account.

**C. TRADING PREFERENCE**

Select and Sign against the Segment of Exchange in which Trading facility required:

<input type="checkbox"/> <b>NSE - Cash</b> 	<input type="checkbox"/> <b>BSE - Cash</b> 	<input type="checkbox"/> <b>MSEI - Cash</b> 
<input type="checkbox"/> <b>NSE - F&amp;O</b> 	<input type="checkbox"/> <b>BSE - F&amp;O</b> 	<input type="checkbox"/> <b>MSEI - F&amp;O</b> 
<input type="checkbox"/> <b>NSE - Currency</b> 	<input type="checkbox"/> <b>BSE - Currency</b> 	<input type="checkbox"/> <b>MSEI - Currency</b> 
<input type="checkbox"/> <b>NSE Mutual Fund</b> 	<input type="checkbox"/> <b>BSE Mutual Fund</b> 	

# If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter should be taken from the client by the stock broker.

**D. ADDITIONAL DETAILS**

- Whether you wish to receive Electronic Contract Note (ECN) :  Yes  No
- Whether you wish to receive your executed KYC  Electronically  Physically
- Whether you wish to avail of the facility of internet trading/ wireless technology :  Yes  No (if yes, then please specify)  
 Application Base Trading  Web Base Trading  Securities Trading using Wireless Technology  NOW
- Number of Years of Investment / Trading Experience : \_\_\_\_\_
- Any other information : \_\_\_\_\_

## E. OTHER DETAILS

■ **Gross Annual Income Details** : Income Range per annum :  Below Rs. 1 Lac  Rs. 1 Lac to 5 Lac  
(please tick ✓)  Rs. 5 Lac to 10 Lac  Rs. 10 Lac to 25 Lac  Rs. 25 Lac to 1 Crore  >1 Crore

■ **Net Worth** (Net worth should not be older than 1 year) **Amount Rs.....**  
as on (date) 

D	D		
M	M		
Y	Y	Y	Y

■ **Is the entity involved/providing any of the following services**  Yes  No  
- For Foreign Exchange/Money Changer Services  Yes  No - Gaming/Gambling/Lottery Services (e.g. casinos, betting syndicates)  
- Money Lending / Pawning  Yes  No

■ **Please tick, if applicable** (Note : In case of Non-individuals please tick, if applicable for any of your authorised signatories/ Promoters/Partners/Karta/Trustees/whole time directors) :  
 Politically Exposed Person (PEP)  Related to Politically Exposed Person (PEP)

■ **Any other information** : .....

## F. PAST ACTIONS

Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its authorized persons in charge of dealing in securities during the last 3 years :

## G. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS

### G1. DEALINGS THROUGH SUB-BROKERS

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

Sub-broker's Name: \_\_\_\_\_ SEBI Registration number: \_\_\_\_\_

Registered office address : \_\_\_\_\_

Ph : \_\_\_\_\_ Fax: \_\_\_\_\_ Website: \_\_\_\_\_

### G2. DEALINGS THROUGH OTHER STOCK BROKERS / SUB BROKERS

■ whether dealing with any other stock broker / sub broker (if case dealing with multiple stock broker / sub broker, provide details of all)

Name of Stock Broker: \_\_\_\_\_ Name of Sub-Broker, if any : \_\_\_\_\_

Client Code: \_\_\_\_\_ Exchange : \_\_\_\_\_

■ Details of disputes/dues pending from/to such stock broker / sub broker : \_\_\_\_\_

## 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 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.
- 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.
- 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.

Place: 

--	--	--	--	--	--	--	--	--	--	--	--

Date: 

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Sign here : (6) 

Signature of Client/(all) Authorized Signatory(ies)

**TO BE FILLED BY INTERMEDIARY / EMPLOYEE**

UCC Code allotted to the Client:

	Documents Verified with Originals	Client Interviewed By	In-Person Verification Done By
Name of the Employee			
Employee Code			
Designation of the Employee			
Date			
Signature			

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.

**For YUG SECURITIES LTD.**

**Authorised Signatory / Director**

Date: D D M M Y Y Y Y

**INTRODUCER DETAILS**

Name of the Introducer: F I R S T N A M E M I D D L E N A M E S U R N A M E

Employee Code : Employee E-mail :

Mobile Phone(with STD Code) :

Status of the Introducer:

Sub-broker      Remisier      Authorized Person      Existing Client      Others: (Please Specify Others)

Address of the Introducer :

Signature of the Introducer :

### 3. TARIFF SHEET

#### BROKERAGE STRUCTURE

Brokerage Slab	% of Turnover	Minimum Paisa Per Share
<b>Delivery Based</b>		Paisa _____ Per Share
<b>Daily Square up</b>		Paisa _____ Per Share
<b>Equity Future</b>		Paisa _____ Per Share
<b>Equity Option</b>		Rs. _____ Per Lot
<b>Currency Future</b>		Paisa _____ Per Share
<b>Currency Option</b>		Rs. _____ Per Lot
<b>Mutual Fund</b>		Paisa _____ Per Share



Sign here to authenticate the cutting/overwriting  
in any of Brokerage Slabs

Sign here : (7) 



## GENERAL AUTHORISATION BY THE CLIENT

**YUG SECURITIES LIMITED**

Regd Office : 20 TCC, 1ST FLOOR, SEC-10, FARIDABAD (HARYANA) 21006

Corp. Office : 8/1, ASHOKA CHAMBER, 5B RAJENDRA PARK, PUSA ROAD NEW DELHI- 110060

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

### A. RUNNING ACCOUNT AUTHORISATION

I/We are dealing through you as a client in Capital Market and/or Future & Option segment and/or Currency segment and/or Interest Rate future Segment and/or Mutual Fund Segment & in order to facilitate ease of operations and upfront requirement of margin for trade. I/We authorize you as under:

1. I/We request you to maintain running balance in my account & retain the credit balance in any of my/our account and to use the unused funds towards my/our margin/pay-in/other future obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing corporation unless I/we instruct you otherwise.
2. I/We request you to retain securities with you for my/our margin/pay-in/other-future obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing Corporation unless I/We instruct you to transfer the same to my/our account.
3. I/We request you to settle my fund and securities account  once in every calendar Quarter or  once in a calendar Month or such other higher period as allowed by SEBI/Stock Exchange time to time except the funds given towards collaterals/margin in form of Bank Guarantee and/or Fixed Deposit Receipt.
4. In case I/We have an outstanding obligation on the settlement date, you may retain the requisite securities/funds/Mutual Fund Units towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges.
5. I/We confirm you that I will bring to your notice any dispute arising from the statement of account or settlement so made in writing within 7 working days from the date of receipt of funds/securities or statement of account or statement related to it, as the case may be at your registered office.
6. I/We further authorize you to retain an amount of upto Rs. 10,000/- (net amount across segment and across stock exchanges) in order to avoid administrative/operational difficulties in settling my/our account. The same may be released on my/our specific request.

The running account authorization provided by me shall continue and remain valid until it is revoked by me anytime in writing.

Sign here : (8) 



Client Name : \_\_\_\_\_

### B. VERBAL ORDER ACCEPTANCE AUTHORISATION

I/we am dealing with you as client at NSE/BSE/MSEI in Capital, Derivative & Currency Derivative Segment. As my/our broker i.e. agent I/We direct and authorize you to carry out trading/ dealing on my/our behalf as per instruction given below.

I/We agree and acknowledge that it is advised by you that I/We should give instruction for order placement/ modification and cancellation in writing and to avoid disputes, I/We must give instruction in exactly the format in duplicate (carbon copy/ photocopy only) and take signatures of at least two authorized officers at the branch along with company stamp on the carbon copy/ photocopy of the instructions in acknowledgment of receipt of my our instructions.

However as I/We shall be dealing by ordering over phone and even if we visit the branch, the fluctuations in market are so rapid the it is not practical to give written instructions for order placement/modification and cancellation, I/We hereby authorize you to accept my/our authorized representative's verbal instructions for order placement/modification and cancellation in person or over phone (fixed line/mobile phone) and execute the same. I/ We understand the risk associated with verbal orders and accept the same, and agree that I/We shall not be entitled to disown orders and consequent trades (if any) by shifting the burden of proof by asking you to prove the placement/modification and cancellation of orders through telephone recording or otherwise.

I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying out my/our directions given above.

Sign here : (9) 



Client Name : \_\_\_\_\_

## GENERAL AUTHORITY

YUG SECURITIES LTD.

Regd. Office:20 TCC 1ST FLOOR SECTOR 10 FARIDABAD (HARYANA)121006

Corp. Office:8/1 Ashoka Chamber ,5/B Rajendra Park,Pusa Road , 110060

Dear Sir,

### Sub: Letter Authority

I/we dealing with you as client at NSE/BSE/MCX-SX/USE in cash, Derivative & Currency Derivative Segment and in order to facilitate ease of operations, I/We authorise you as under :

1. I/We authorise you to set off outstanding in any of my/our accounts against credits available or arising in any other accounts maintained with you irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange or in any other exchange and/or against the value of cash margin or collateral shares provided to you by me/us.
2. I/We hereby authorise you not to provide me/us Order Confirmation/ Modification / Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. I/We shall get the required details from contract notes issued by you.
3. I/We hereby authorise you to keep all securities which I/We have given you in margin including the payout securities received by us for meeting margin/order obligation in any of the stock exchanges/clearing house/clearing corporation in whatever manner which may include pledging of shares in favor of bank and/or taking loan against the same or meeting margin/pay-in obligation on my/our behalf or for giving the same as margin to any of the stock exchanges/ clearing house/clearing corporation or otherwise. Further, I/We shall when called upon to do so forthwith from time to time provide a Margin Deposit and/or furnish additional Margin as required under the Rules and Regulations in respect of the business done by me and/or as agreed upon by me with the Trading Member.
4. I/We request you to retain credit balance in any of my/our account and to use the unused funds towards my/our margin/future obligation at any or both the Exchanges unless I/We instruct you otherwise. I/We also authorize you to debit the necessary demat charges from time to time, for keeping the shares in your client demat beneficiary account on my behalf. I/We also authorise you to debit the financial charges @2% p.m., for the debit balances or delay payment charges at the rate prescribed by exchange for shortage in margin/debit balances, if any, in my account and not settled as per the exchange requirements.
5. I/We request you to retain Securities in your demat account for my/our margin/future obligations at all Exchanges, unless I/We instruct you to transfer the same to my/our account.
6. I/We request you to consider my/our telephonic instructions for order placing/order modification/order cancellation as a written instruction and give me/us all the confirmation on telephonic unless instructed otherwise in writing. I/We am/are getting required details from contracts issued by you.
7. We request that you/exchange/other regulatory authority may send/dispatch us contract notes/e-mail alert/other documents through e-mail on my/our designated e-mail address mentioned by me/us in KYC. I/We will completely rely on the log reports of you dispatching software as a conclusive proof of dispatch of e-mail to me/us and will not dispute on the same. I/We note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at my/our e-mail ID.
8. I/We will inform you the change of my/our email ID.
9. I/We are aware and acknowledge that trading of all exchanges is in Electronic mode, based on Vsat, lease line, ISDN, Modem, VPN, Internet and/or combination of technologies and computer system to place and route order and also involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, pay in payout of funds & securities, online & offline banking etc. these are susceptible to interruptions, delay, mistake and dislocations; and your services may at any time be unavailable without further notice and I/we understand that there exists a possibility of communication failure or system problems or slow or delay response from system or trading half, or any such other problem/glitch whereby not been able to establish access to the trading system/network or delay in execution of trades, which may be beyond your control any may result in delay in processing or not processing of any orders either in part or in full. I understand that you are not making any representation or warranty that your service will be available to the Client at all times without any interruption. I/We agree that I/We shall not have any claim for any loss incurred by me/us against you on account of any suspension, delay, interruption, nonavailability or malfunctioning of your System or Service for any reason whatsoever.
10. I/We confirm that I/We never sublet the trading terminal on any term of connectivity from my place to any other place without your prior approval.
11. I/We am/are agreeable for inter-settlement transfer of securities towards settlement.
12. I/we am/are agreeable for & authorise you to with hold funds pay-out towards all the applicable margins and debits.
13. All fines/penalties and charges levied upon you due to my acts / deeds or transaction may be recovered by you from my account.
14. I agree that if my contract note bounce for more than 5 times you may dis-continue sending contract note/other documents/details/ information on my email and will start sending physical documents and same my attract administrator/other charges.

Yours faithfully,

Sign here : (9)

Client Name : \_\_\_\_\_

Client Code : \_\_\_\_\_

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

## E-MAIL ID / MOBILE NUMBER DECLARATION

To,YUG SECURITIES LTD.  
 Regd. Office:20 TCC 1ST FLOOR SECTOR 10  
 FARIDABAD (HARYANA)121006  
 Corp. Office:8/1 Ashoka Chamber ,5/B Rajendra Park,Pusa  
 Road , 110060

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

Dear Sir,

I/We hereby request you to send all your communications pertaining to my/our trade like Trade Confirmations, Contract Notes, MTM Margin Calls or any other communication (which is necessary from your Compliance point of view) including the verification call from Yug etc. on the below mentioned Mobile number/Email id.

Cont act	Mention E-mail / Mobile	Mobile / E-mail is registered in the Name (Please tick the correct box)			
		Self	Spouse	Dependent Child	Dependent Parent
E-mail					
Mobile No.					

I/we confirm that:

The said Mobile is registered in the name of \_\_\_\_\_ and the Email is/is also registered in the name of \_\_\_\_\_

I/We am/are also aware that the Exchanges have been pursuing a process of confirming the trade details directly to the Clients via SMS and Email alerts which they have carried out through their respective Trading Member. Accordingly, I/We accord my/our consent to receive those SMS as well as Emails alerts directly from the Exchanges on the above stated contact details for the purpose. I/We hereby authorize you for sharing the said contact details with Exchanges.

Yours faithfully,

### SIGNATURE OF CLIENT

Name of the Client : \_\_\_\_\_

Trading Code : \_\_\_\_\_

## DECLARATION FOR CLIENTS NOT HAVING EMAIL ID / MOBILE NUMBER

To,

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

Dear Sir,

I/We understand, Exchange, with the objective of reducing the number of investor complaints relating to unauthorized trading and to safeguard Members' own interest, provides details of the transactions to all investors through mails and SMSs whose email address and mobile numbers are updated by the trading members to the Exchanges. I/We also understand that as provisions of SEBI/FMC/Exchanges, the trading member requires to update the mobile and e-mail IDs of their clients to the Exchanges.

However, pursuant to above mentioned compliance, I/we hereby confirm & declare that I/We do not have the mobile number/email id to be updated in your records for the purpose of receiving transactional alerts from trading member/ SEBI/FMC/Exchanges. I/We further authorize you to inform /update the same to the SEBI/FMC/Exchanges.

### SIGNATURE OF CLIENT

Name of the Client : \_\_\_\_\_

Trading Code : \_\_\_\_\_

## DECLARATION BY KARTA & ALL THE CO-PARCENERS (for HUF only)

To

**YUGSECURITIES LIMITED**

Regd. Office : 20 TCC, 1ST FLOOR, SEC-10, FARIDABAD (HARYANA)- 121006

Corp. Office : 8/1 ASHOKA CHAMBER, 5B RAJENDRA PARK, PUSA ROAD, NEW DELHI- 110060

Dated : \_\_\_\_\_

Dear Sir/Madam,

- Whereas the Hindu Undivided Family of.....is carrying on business in the firm name and style of at .....or we intent to deal have or desire to have Securities Trading Account with **Yug Securities Limited.** (hereinafter referred as Member). We undersigned, hereby confirm and declare that we are the present adult co-parceners of the said joint family; that Mr./Mrs..... is the present Karta of the said joint family.
- We confirm that affairs of HUF firm are carried on mainly by the Karta Mr/ Mrs. ..... on behalf and in the interest and for the benefits of all the co-parceners. We hereby authorize the Karta on behalf of the HUF to deal with the member and the said trading member is hereby authorized to honor all instructions oral or written, given by him on behalf of the HUF. He is authorized to sell, purchase, transfer, endorse, negotiate documents and/or otherwise deal through the member on behalf of the HUF.  
He is also authorize to sign execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to open account and give effect to this purpose. We are, however, jointly and severally responsible for all liabilities of the said HUF firm shall be recoverable from the assets of any one or all of us and also from the estate of the said joint family including the interest thereon of every co-parceners of the said joint family, including the share of the minor co parceners, if any.
- We undertake to advise the member in writing of any change that may occur in the Karta ship or in the constitution of the said joint family or of the said HUF firm and until receipt of such notice by the member who shall be binding on the said joint family and the said HUF firm and on our respective estates. We shall, however continue to be liable jointly and severally to the member for all dues obligations f the said HUF firm in the Member's book on the date of the receipt of such notice by the member and until all such dues and obligations shall have been liquidated and discharged.
- The names and dates of the birth of all the present minor & major co-parceners of the said joint family are given below. We also undertake to inform you in writing as and when each of the said members attains the majority and is authorized to act on behalf of, and bind the said HUF firm.

### List of Family Members

S. No.	Name of the Co-parceners (Including Minor also)	Relationship with Karta	PAN No.	Address (if other than Karta's address)	Date of Birth	Signature
1.						
2.						
3.						
4.						
5.						
6.						

Note : In case of adult family member provide copy of PAN card or any other ID proof (DL/Voter ID/ Passport). In case of Minor Family Member provide copy of age certificate (Birth Certificate/School Leaving Certificate).

Name of the HUF \_\_\_\_\_

Signature of Karta with Rubber Stamp

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

PAN \_\_\_\_\_ Trading \_\_\_\_\_ DP Code \_\_\_\_\_

Name \_\_\_\_\_

Place of Birth \_\_\_\_\_ Country of Birth \_\_\_\_\_

Nationality \_\_\_\_\_

Annual Income  Below Rs. 1 Lac  Rs. 1 Lac to 5 Lac  Rs. 5 Lac to 10 Lac  
 Rs. 10 Lac to 25 Lac  Rs. 25 Lac to 1 Crore  >1 Crore

Net Worth **Amount Rs.** ..... Net Worth as on **D D M M Y Y Y Y**  
*(Net worth should not be older than 1 year)*

Occupational Detail  Business  Private Sector  Professional  Government Service  Public Sector  
 Agriculturist  Housewife  Student  Retired  Forex Dealer  Others Pl. Specify

Politically Exposed Person (PEP)  Related to Politically Exposed Person (RPEP)

Are you a tax resident of any country other than India  Yes  No

If yes please indicates the all countries in which you are resident for tax purpose and the associated Tax ID number below.

Sr. No.	Country	Tax Identification Number	Identification Type (TIN or Other, please specify)
1.			
2.			
3.			

### DECLARATION

I have read and understood the information requirements and the Terms & Conditions mentioned in this Form (read along with FATCA & CRS instructions) and hereby confirm that the information provided by me on this Form is true, correct and complete. I hereby agree and confirm to inform Yug Securities Ltd for any modification to this information promptly.

I further agree to abide by the provisions of the scheme related documents inter alia provisions of FATCA & CRS on Automatic Exchange of Information (AEOI).

Sign here: (1) 

Date : **D D M M Y Y Y Y**

Place :

For Investor convenience, Yug Securities Limited (YSL) collecting this mandatory information for updating across all Group Companies of YSL whether you are already an investor or would become an investor in future.

Please submit the form fully filled, signed, for all the holders, separately, and submit at your nearest YSL branch or you can dispatch the hard copy to-

**Yug Securities Limited**  
**8/1, Ashoka Chamber, 5B Rajendra Park,**  
**Pusa Road, New Delhi -110060**

**Information**

**Declaration Form for Non- Individual**

*Please consult a tax professional for further guidance regarding your tax residency for FATCA & CRS compliance*

Name of the entity \_\_\_\_\_

Type of address given at KRA \_\_\_\_\_ Residential or Business \_\_\_\_\_ Residential \_\_\_\_\_ Business \_\_\_\_\_ Registered Office \_\_\_\_\_

*"Address of tax residence would be taken as available in KRA database. In case of any change, please approach KRA & notify the changes"*

Customer ID / Folio Number \_\_\_\_\_

PAN \_\_\_\_\_ Date of incorporation \_\_\_\_\_ D D / M M / Y Y Y Y

City of incorporation \_\_\_\_\_

Country of incorporation \_\_\_\_\_

Entity Constitution Type \_\_\_\_\_ Partnership Firm \_\_\_\_\_ HUF \_\_\_\_\_ Private Limited Company \_\_\_\_\_ Public Limited Company \_\_\_\_\_ Society \_\_\_\_\_ AOP/BOI

*Please tick as appropriate* \_\_\_\_\_ Trust / Liquidator \_\_\_\_\_ Limited Liability Partnership \_\_\_\_\_ Artificial Juridical Person \_\_\_\_\_ FI \_\_\_\_\_ FI \_\_\_\_\_ FBI- \_\_\_\_\_ FBI-II \_\_\_\_\_ FBI-III

Bank \_\_\_\_\_ Government Body \_\_\_\_\_ Non-Government Organization \_\_\_\_\_ Defense \_\_\_\_\_ Society \_\_\_\_\_ Others specify \_\_\_\_\_

Please tick the applicable tax resident declaration -

1. Is "Entity" a tax resident of any country other than India  Y  N

*(If yes, please provide country/ies in which the entity is a resident for tax purposes and the associated Tax ID number below.)*

Country	Tax Identification Number %	Identification Type (TIN or Other, please specify)

<sup>5</sup>In case Tax Identification Number is not available, kindly provide its functional equivalent<sup>6</sup>.

In case TIN or its functional equivalent is not available, please provide Company Identification number or Global Entity Identification Number or GIIN, etc.

In case the Entity's Country of Incorporation / Tax residence is U.S. but Entity is not a Specified U.S. Person, mention Entity's exemption code here

**FATCA & CRS Declaration**

*(Please consult your professional tax advisor for further guidance on FATCA & CRS classification)*

**PART A** (to be filled by Financial Institutions or Direct Reporting NFEs)

1. We are a, **GIIN** \_\_\_\_\_

Financial institution<sup>6</sup> \_\_\_\_\_ or \_\_\_\_\_

Direct reporting NFE<sup>7</sup>  **Note:** If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN above and indicate your sponsor's name below

*(please tick as appropriate)*  Name of sponsoring entity \_\_\_\_\_

\_\_\_\_\_

**GIIN not available** (please tick as applicable)  **Applied for**

If the entity is a financial institution,  Not required to apply for - please specify 2 digits sub-category<sup>10</sup>

Not obtained – Non-participating FI

**PART B** (please fill any one as appropriate "to be filled by NFEs other than Direct Reporting NFEs")

1. Is the Entity a *publicly traded company*<sup>1</sup> (that is, a company whose shares are regularly traded on an established securities market) Yes  *(If yes, please specify any one stock exchange on which the stock is regularly traded)*  
Name of stock exchange \_\_\_\_\_

2. Is the Entity a *related entity*<sup>2</sup> of a publicly traded company (a company whose shares are regularly traded on an established securities market) Yes  *(If yes, please specify name of the listed company and one stock exchange on which the stock is regularly traded)*  
Name of listed company \_\_\_\_\_  
Nature of relation: \_\_\_\_\_ Subsidiary of the Listed Company or \_\_\_\_\_ Controlled by a Listed Company  
Name of stock exchange \_\_\_\_\_

3. Is the Entity an *active*<sup>3</sup> NFE Yes  *(If yes, please fill UBO declaration in the next section.)*  
Nature of Business \_\_\_\_\_  
Please specify the sub-category of Active NFE   *(Mention code – refer 2c of Part D)*

4. Is the Entity a *passive*<sup>4</sup> NFE Yes  *(If yes, please fill UBO declaration in the next section.)*  
Nature of Business \_\_\_\_\_

<sup>1</sup>Refer 2a of Part D | <sup>2</sup>Refer 2b of Part D | <sup>3</sup>Refer 2c of Part D | <sup>4</sup>Refer 3(ii) of Part D | <sup>5</sup>Refer 1 of Part D | <sup>6</sup>Refer 3(vii) of Part D | <sup>7</sup>Refer 1A of Part D



## PART D FATCA Instructions & Definitions

**1 Financial Institution (FI)** - The term FI means any financial institution that is a Depository Institution, Custodial Institution, Investment Entity or Specified Insurance company, as defined.

- Ŷ Depository institution: is an entity that accepts deposits in the ordinary course of banking or similar business.
- Ŷ Custodial institution is an entity that holds as a substantial portion of its business, holds financial assets for the account of others and where its income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of
  - (i) The three financial years preceding the year in which determination is made; or (ii) The period during which the entity has been in existence, whichever is less.
- Ŷ Investment entity is any entity:
  - Ŷ That primarily conducts a business or operates for or on behalf of a customer for any of the following activities or operations for or on behalf of a customer
    - (I) Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or
    - (ii) Individual and collective portfolio management; or
    - (iii) Investing, administering or managing funds, money or financial asset or money on behalf of other persons;

or

- Ŷ The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity described above.

An entity is treated as primarily conducting as a business one or more of the 3 activities described above, or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets of the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of :

- (i) The three-year period ending on 31 March of the year preceding the year in which the determination is made; or
- (ii) The period during which the entity has been in existence.

The term "Investment Entity" does not include an entity that is an active non-financial entity as per codes 03, 04, 05 and 06 - refer point 2c.)

Ŷ Specified Insurance Company: Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

Ŷ FI not required to apply for GIIN:

*A. Reasons why FI not required to apply for GIIN:*

Code	Sub-category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers& Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
9	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts
12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner Documented FFI

## 2. Non-financial entity (NFE) - Foreign entity that is not a financial institution

Types of NFEs that are regarded as excluded NFE are:

*a. Publicly traded company (listed company)*

A company is publicly traded if its stock are regularly traded on one or more established securities markets (Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange)

*b. Related entity of a publicly traded company*

The NFE is a related entity of an entity of which is regularly traded on an established securities market;

C. Active NFE : (is any one of the following):	
Code	Sub-category
1	Less than 50 percent of the NFE's gross income for the preceding financial year is passive income and less than 50 percent of the assets held by the NFE during the preceding financial year are assets that produce or are held for the production of passive income;
02	The NFE is a Governmental Entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of the foregoing;
3	Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for this status if the entity functions as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
4	The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFE;
5	The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
6	The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
7	<p>Any NFE that fulfills all of the following requirements:</p> <ul style="list-style-type: none"> <li>✓ It is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</li> <li>✓ It is exempt from income tax in India;</li> <li>✓ It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> </ul> <p>The applicable laws of the NFE's country or territory of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and</p> <p>The applicable laws of the NFE's country or territory of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFE's country or territory of residence or any political subdivision thereof.</p> <p>Explanation:- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-</p> <p>(I) an Investor Protection Fund referred to in clause (23EA);      (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and      (III) an Investor Protection Fund referred to in clause (23EC),      of section 10 of the Act;</p>

### 3. Other definitions

<i>(i) Related entity</i>
An entity is a 'related entity' of another entity if either entity controls the other entity, or the two entities are under common control For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.
<i>(ii) Passive NFE</i>
The term passive NFE means
(i) any non-financial entity which is not an active non-financial entity including a publicly traded corporation or related entity of a publicly traded company; or
(ii) an investment entity defined in clause (b) of these instructions
(iii) a withholding foreign partnership or withholding foreign trust;
(Note: Foreign persons having controlling interest in a passive NFE are liable to be reported for tax information compliance purposes)
<i>(iii) Passive income</i>
The term passive income includes income by way of :
(1) Dividends,
(2) Interest
(3) Income equivalent to interest,
(4) Rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE
(5) Annuities
(6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income
(7) The excess of gains over losses from transactions (including futures, forwards, options and similar transactions) in any financial assets,
(8) The excess of foreign currency gains over foreign currency losses
(9) Net income from swaps
(10) Amounts received under cash value insurance contracts
But passive income will not include, in case of a non-financial entity that regularly acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.
<i>(iv) Controlling persons</i>
Controlling persons are natural persons who exercise control over an entity and includes a beneficial owner under sub -rule (3) of rule 9 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than trust, controlling person means persons in equivalent or similar positions.
Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR/MIRSD/2/2013 dated January 24, 2013, persons (other than individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

- i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the financial institution shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

*(A) Controlling Person Type:*

Code	Sub-category
01	CP of legal person-ownership
02	CP of legal person-other means
03	CP of legal person-senior managing official
04	CP of legal arrangement-trust-settlor
05	CP of legal arrangement--trust-trustee
06	CP of legal arrangement--trust-protector
07	CP of legal arrangement--trust-beneficiary
08	CP of legal arrangement--trust-other
9	CP of legal arrangement—Other-settlor equivalent
10	CP of legal arrangement—Other-trustee equivalent
11	CP of legal arrangement—Other-protector equivalent
12	CP of legal arrangement—Other-beneficiary equivalent
13	CP of legal arrangement—Other-other equivalent
14	Unknown

*(v) Specified U.S. person – A U.S. person other than the following:*

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
- (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
- (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
- (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
- (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
- (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

*(vi) Owner documented FFI*

An FFI meets the following requirements:

- (a) The FFI is an FFI solely because it is an investment entity;
- (b) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
- (c) The FFI does not maintain a financial account for any non participating FFI;
- (d) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
- (e) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 IGA, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2). Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFE.

*(vii) Direct reporting NFE*

A direct reporting NFFE means a NFFE that elects to report information about its direct or indirect substantial U.S. owners to the IRS.

(viii) Exemption code for U.S. persons

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan

## **1. RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS 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, sub-broker 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 sub-broker 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 sub-broker 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, Byelaws, 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 there under 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 there under 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, sub-broker 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 sub-broker 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 sub broker 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 email 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-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through email as an attachment, the attached file shall also be secured with the digital signature, encrypted and nontamperable.
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, sub-broker 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 there under 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 there under 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.

## 2. RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET

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.

## **2.2 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. 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.

## **2.3 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 g 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.

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

#### **A. 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.exchange.com](http://www.exchange.com) 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

#### **B. 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 cash market.
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.

#### **C. 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 gives 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.

#### **D. 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 has been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## 4. POLICIES & PROCEDURES

### 1. PENNY STOCKS

A Stock that trades at a relatively low market price with low market capitalization, these stocks are generally considered to be highly speculative and risky because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosures. Depending on the market condition and our RMS policy, RMS reserves the right to provide the limit in Penny Stock and losses if any on account of such refusal shall be borne by the client.

### 2. SETTING UP CLIENT'S TRADING LIMITS

The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.) The client is aware and agree that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange/SEBI directions /limits ( such as broker level/market level limits in security specific/volume specific exposures etc.) and the stock broker may be unable shall not be responsible for such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client agrees that the Stock Broker may at any time at its sole discretion and without prior notice, prohibit or restrict the client ability to place any order or trade in securities through the stock Broker or it may subject to any order placed by the client to review before its entry into the trading system and may refuse to execute/allow execution of any order due to but not limited to the reason of lack of Margin/securities or the order the order being outside the limits set by the Stock Broker/Exchange/SEBI and any other reason which the stock Broker deems appropriate in the circumstances. The client agrees that the losses, if any, on account of such refusal or due to delay caused by such refusal or due to delay caused by such review shall be borne exclusively by the client alone. We have margin based RMS System. Total deposit of the client are uploaded in the system and the client may take exposure on the basis of applicable for the respective security as per the VAR based margining system of the Stock Exchange and/or margin defined by the RMS based on their Risk perception. Client may take the benefit of "credit for sale" i.e., benefit of shares held in margin by selling the same by selecting delivery option through order entry window in the trading system, the value of the shares sold will be added with the value of deposit and on the basis of that, client may take fresh exposure. In case of exposure taken on the basis of shares margin, the payment is required to be made before the exchange pay-in date otherwise it will be liable to square off after the pay-in time or any time due to shortage of Margin.

### 3. CONDITION UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT

The stock broker has margin based RMS system. Client may take exposure up to the amount of margin available with us. Client may not be allowed to take position in case of non- availability/shortage of margin as per RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin/non making of payment for their pay-in obligation/ outstanding debts.

### 4. APPLICABLE BROKERAGE RATE

Brokerage will be charged within the limits prescribed by SEBI/Exchanges.

### 5. IMPOSITION OF PENALTY/DELAYED PAYMENT CHARGES

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their paying/margin obligation on time as per the exchange requirement/schedule at the rate of 2% per month. The client agree that the Stock broker may impose fine and penalties for the order/ trades/ deals/ actions of the clients which is contrary to these agreement/rules/regulations/bye laws of the exchange or any other law for the time being in force at such rates and in such form as it may deem fit. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with/as a consequence of/in relation to any of the orders/trades/deals/actions of the client, the same shall be borne by the client.

### 6. THE RIGHT TO SELL CLIENT'S SECURITIES OR CLOSE CLIENT'S POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON – PAYMENT OF CLIENT'S DUE

Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the clients position without giving notice to the client for non-payment of margins or other amounts including the pay in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities/obligations. The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations/closing out shall be charged to & born by the client. In case of securities lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other purpose the benefit of shares due to received under Bonus, Stock Split, Right issue etc will be given when the shares is actually received in the stock broker designated demat account. In case the payment of the margin/security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instrument etc, at the absolute discretion of the stock broker. Where the margin/security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by making it to market or by any other method as the stock broker may deem fit in its absolute discretion. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Market to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charge levied by the exchange(s).

### 7. SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES

Stock broker shall not be obliged to deliver any securities or pay any money to

the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligation first. The policy and procedure for settlement of shortages in obligations arising out of internal meeting of trades is as under:

- a) The Short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/Payout Day. The securities delivered short are purchased from market on T+2 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- b) If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+3 day or Auction day on Exchange + 10% where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.
- c) In case of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auctioned on cum basis or where the cum basis action payout is after the book closure/record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.

## **8. CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT**

We have margin based RMS system. Client may take exposure up to the amount of margin available with us. Client may not be allowed to take position in case of non-availability/shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin/non/making of payment for their pay-in obligation/outstanding debts.

## **9. TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST**

On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

## **10. DEREGISTERING A CLIENT**

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- (i) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of legal process against the client under any law in force;]
- (iii) On the death/lunacy or other disability of the Client.

- (iv) If the Client suffers any adverse material change in his /her/its financial position or defaults in any other agreement with the Stock broker;
- (v) If there is reasonable apprehension that the Client is unable to pay its debts or the client has admitted its inability to pay its debts, as they become payable;
- (vi) If the Client is in breach of any term, condition or covenant of this Agreement;
- (vii) If the client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
- (viii) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (ix) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (x) If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relied undertaking;
- (xi) If any covenant or warranty of the client is incorrect or untrue in any material respect; y of the client is incorrect or untrue in any material respect;

## **11. INACTIVE CLIENT ACCOUNT**

Client account will be considered as inactive if the client does not trade for period of one year. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/credit ledger balance if any will be transferred to the client within in week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

Trading in the Exchange is in Electronic Mode, based on VAST, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading half or any break down in our back office/front and system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. I/We shall be fully liable and responsible for any such problem/fault.

## **12. CLIENT ACCEPTANCE OF POLICIES AND PROCEDURES STATED HEREIN ABOVE:**

I/We have full understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstance what so ever. These policies and Procedures may be amended/changes unilaterally by the broker, provided the change is informed to me/us with through any one or more means or methods. I/we agree never to challenges the same on any grounds including delayed receipt/non receipt or any other reasons whatsoever. These policies and Procedures shall always be read always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and stock broker before any court of law/judicial/adjusting authority including arbitrator mediator etc.