

**Annexure-2**  
**RISK DISCLOSURE DOCUMENT**

The Exchange does not expressly or impliedly, guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has the Exchange endorsed or passed any merits of participating in the trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study security / derivative trading carefully before becoming involved in it.

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

You must know and appreciate that investment in equity / derivatives or other instruments traded on the Exchange(s), 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 the Exchange and suffer adverse consequences or loss, you shall be solely responsible for the same and the Exchange shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take the plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The Client shall be solely responsible for the consequences and no contract can be rescinded on that account.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 on Exchange.

It must be clearly understood by you that your dealings on the Exchange through a member shall be subject to your fulfilling certain formalities set out by the member, which may, inter alia, include your filing the know your client form and are subject to Rules, Byelaws and Business Rules of the Exchange guidelines prescribed by SEBI from time to time and circulars as may be issued by the Exchange from time to time.

The Exchange 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 member of the Exchange and/ or third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment 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, you should be aware of or must get acquainted with the following:-

**1. Basic Risks involved in the trading of security / derivatives Instruments on the Exchange.**

**i. Risk of Higher Volatility**

Volatility refers to the dynamic changes in price that security / derivative contracts undergo when trading activity continues on the Exchange. Generally, higher the volatility of a security / derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded security / derivatives contracts than in actively traded 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 real losses.

**ii. Risk of Lower Liquidity**

- a. Liquidity refers to the ability of market participants to buy and / or sell security / derivative contract expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the number 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 security / derivative contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for security/ derivative contracts purchased or sold. There may be a risk of lower liquidity in some security / derivative contracts as compared to active security / derivative 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.
- b. Buying / Selling without intention of giving and/ or taking delivery of certain security / derivative may also result into losses, because in such a situation, security / derivative contracts may have to be squared-off at a low/ high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such security.

**iii. Risk of Wider Spreads**

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

**iv. Risk-reducing orders**

- a. Most of the Exchanges have a facility for investors to place “limit orders”, “stop loss orders” etc. Placing of such 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.

- b. 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/ derivative contract.
- c. A “limit” order will be executed only at the “limit” price specified for the order or a better price. However, while the client received price protection, there is a possibility that the order may not be executed at all.
- d. A stop loss order is generally placed “away” from the current price of a security/ derivative contract, and such order gets activated if and when the 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 contract approaches 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 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.

**v. Risk of News Announcements**

- a. Traders/Manufacturers make news announcements that may impact the price of security/ derivative contracts. These announcements 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/ derivative contract.

**vi. Risk of Rumours**

- a. Rumours about the price of a security at times float in the market through word of mouth, newspaper, websites or news agencies, etc., the investors should be wary of and should desist from acting on rumours.
- ii. System Risk
  - a. 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.
  - b. 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 execution of order and its confirmation.
  - c. 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 due to any action on account of unusual trading activity or price hitting circuit filters or for any other reason.

**viii. System/ Network Congestion**

- a. Trading on the Exchange is in electronic mode, based on satellite/ leased line 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 the control of 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. 1. As far as Futures Derivatives are concerned, please note and get yourself acquainted with the following additional features:-**

**2.1 Effect of “Leverage” or “Gearing”:**

- a. The amount of margin is small relative to the value of the security/ derivative contract so the transactions are 'leveraged' or 'geared'. security/ derivative trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in security/ derivative carry a high degree of risk. You should therefore completely understand the following statements before actually trading in security/ derivative contracts and also trade with caution while taking into account one's circumstances, financial resources, etc.
- b. Trading in Futures Derivatives involves daily settlement of all positions. Every day the open positions are marked to market based on the closing price. If the closing price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.
- c. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Member of the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/ Close Outs.
- d. Irrespective of any intimation in this behalf from Sharekhan, Client unconditionally accepts to bear the penalty dues debited to his account by Sharekhan towards Penalty levied by exchanges on account of any margin shortfall arising from increased margin requirement on open trades of Client or due to any change in hedge position by client/ expiry of any leg(s) of the hedge positions of the clients. This list is not exhaustive and may cover any such future cases/event as may not be narrated herein.

- e. Under certain market conditions, an Investor may find it difficult or impossible to execute the 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.
- f. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- g. You must ask your Member of the Exchange to provide the full details of the security/ derivative contracts you plan to trade i.e. the contract specifications and the associated obligations.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY OR ANY OTHER TECHNOLOGY:**

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with trading through wireless technology or any other technology should be brought to the notice of the client by the member.

### **4 Collection Of Sensitive Personal Data or Information:**

We may for the purpose of rendering services, collect personal information such as:

- Name, gender, residential / correspondence address, telephone number, date of birth, marital status, email address or other contact information;
- PAN, KYC Status, Signature and Photograph;
- Bank account or other payment instrument details; or any other detail for providing services.

We offer online platform System for carrying out trade transaction that collects such personal data or information to process your financial and non-financial transaction requests. The information so collected may be shared with SEBI/ NSE/ BSE/ MCX /Asset Management Companies of Mutual Funds/Registrar and Transfer Agents/Collecting Banks/KYC Registration Agencies (KRAs), group companies etc. solely for the purpose of processing your transaction requests or serving you better.

Under certain circumstances we may be required to share the information given by you with the third parties, where we feel they can contribute to add value and improve the quality of services imparted by us to you. We shall take all reasonable steps to ensure that the confidentiality of your information is maintained by imposing strict confidentiality standards on all the third parties with whom we part this information. In all circumstances we shall ensure that your personal information is protected by strict confidentiality agreement. We shall not allow any third parties to retain your personal information longer than what is warranted by the nature of services rendered. We would also impart your personal information wherever it is required to be disclosed under law to any of the governmental agency or regulatory bodies. By agreeing to avail the service offered by us, you have agreed to the collection and use of your Sensitive Personal Data or Information by us. You always have the right to refuse or withdraw your consent to share/dissemination of your Sensitive Personal Data or Information by contacting the customer care. However, in such an event, you would no longer be able to avail the services offered by us.

### **5. General**

#### **i. Deposited cash and property:**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.

#### **ii. Commission and other charges:**

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

#### **iii. For rights and obligations of the Members/Authorised Persons/ clients, please refer to Annexure 3**

#### **iv. The term 'Constituent' shall mean and include a Client, a Customer or an Investor, who deals with a member for the purpose of trading in the security/ derivative through the mechanism provided by the Exchange.**

#### **v. The term 'member' shall mean and include a Trading Member or a Member/Broker, who has been admitted as such by the Exchange and got a registration certificate from SEBI.**

**RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORIZED PERSONS AND CLIENTS**  
As prescribed by SEBI and Exchanges

1. The client shall invest/trade in those securities/derivatives contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules/ Regulations of Exchanges/SEBI and circulars/notices issued there under from time to time.
2. The Member, Authorized Person and the client shall be bound by all the Rules, Byelaws and Business Rules 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 himself of the capacity of the Member to deal in security/ derivative contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.
4. The Member 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 Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.
6. Requirements of professional diligence
  - a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.
  - b. "professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with-
    - i. honest market practice;
    - ii. the principle of good faith;
    - iii. level of knowledge, experience and expertise of the Client;
    - iv. the nature and degree of risk embodied in the financial product\* or financial service being availed by the Client; and
    - v. the extent of dependence of the Client on the Member.
7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

**CLIENT INFORMATION**

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by exchanges/SEBI from time to time.
  9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-mandatory; therefore, subject to specific acceptance by the client.
  10. The client shall immediately notify the Member 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 Member on an annual basis. In case the financial information is not updated as on date (date should not be older than last 12 months) by the client, the Member reserves the right to restrain the client from executing any transaction in the account maintained with the Member to adhere with regulatory requirements.
  11. A. Protection from unfair terms in financial contracts\*\*
    - a. An unfair term of a non-negotiated contract will be void.
    - b. A term is unfair if it –
      - i. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
      - ii. is not reasonably necessary to protect the legitimate interests of the Member.
    - c. The factors to be taken into account while determining whether a term is unfair, include –
      - i. the nature of the financial product or financial service dealt with under the financial contract;
      - ii. the extent of transparency of the term;
- \*\*contracts offered by exchanges
- iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and
  - iv. the financial contract as a whole and the terms of any other contract on which it is dependent.

- d. A term is transparent if it –
  - i. is expressed in reasonably plain language that is likely to be understood by the Client;
  - ii. is legible and presented clearly; and
  - iii. is readily available to the Client affected by the term.
- e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

- 11.B.
- a. “Non-negotiated contract” means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes –
    - i. a financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and
    - ii. a standard form contract.
  - b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.
  - c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a non-negotiated contract if so indicated by –
    - i. an overall and substantial assessment of the financial contract; and
    - ii. the substantial circumstances surrounding the financial contract
  - d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

- 11.C.
- a. The above does not apply to a term of a financial contract if it –
    - i. defines the subject matter of the financial contract;
    - ii. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or
    - iii. is required, or expressly permitted, under any law or regulations.
  - b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non- occurrence of any particular event.

12. The Member and Authorized Person 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 Member may so disclose information about his client to any person or authority with the express permission of the client.

13. A. Protection of personal information and confidentiality
- a. “Personal information” means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes –
    - i. name and contact information;
    - ii. biometric information, in case of individuals
    - iii. information relating to transactions in, or holdings of, financial products
    - iv. information relating to the use of financial services; or
    - v. such other information as may be specified.

- 13.B.
- a. A Member must –
    - i. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;
    - ii. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;
    - iii. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;

- iv. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and
  - v. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.
- a. A Member may disclose personal information relating to a Client to a third party only if –
- i. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;
  - ii. the Client has directed the disclosure to be made;
  - iii. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
  - iv. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
  - v. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member –
    - 1. informs the Client in advance that the personal information may be shared with a third party; and
    - 2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or
  - vi. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.-
- b. “Third party” means any person other than the concerned Member, including a person belonging to the same group as the Member.
14. A. Requirement of fair disclosure both initially and on continuing basis
- a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.
  - b. In order to constitute fair disclosure, the information must be provided –
    - i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;
    - ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
    - iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.
  - c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –
    - i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
    - ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
    - iii. existence, exclusion or effect of any term in the financial product or financial contract;
    - iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
    - v. contact details of the Member and the methods of communication to be used between the Member and the Client;
    - vi. rights of the Client to rescind a financial contract within a specified period; or
    - vii. rights of the Client under any law or regulations.
- 14.B
- a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures–
    - i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;
    - ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
    - iii. any other information that may be specified.
  - b. A continuing disclosure must be made –
    - i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
    - ii. in writing and in a manner that is likely to be understood by a Client belonging to that category.

## **MARGINS**

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member 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 Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
16. 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**

17. The client shall give any order for buy or sell of security/ derivative contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
18. The Member 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 exchange where the trade is executed.
19. The Member shall ensure that the money 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 Member for him/herself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.
20. 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, Member shall be entitled to cancel the respective contract(s) with client(s).
21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars/notices issued thereunder.

## **BROKERAGE**

22. The Client shall pay to the Member 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 Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant exchanges and/or Rules of SEBI.

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

23. Without prejudice to the Member's other rights (including the right to refer a matter to arbitration), the client understands that the Member 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.
24. 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, Member 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 Member against the legal heir.

## **DISPUTE RESOLUTION**

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.
26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Business Rules of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
27. The client/Member understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/Member shall be binding on the client/Member in accordance with the letter authorizing the said representative to deal on behalf of the said client/Member.
28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients
  - a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.
  - b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –
    - i. the Client's right to seek redress for any complaints; and
    - ii. the processes followed by the Member to receive and redress complaints from its Clients.

### 29. A. Suitability of advice for the Client

Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.

- a. A Member must –
  - i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and
  - ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.
- b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.
- c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –
  - i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and
  - ii. may provide the financial product or financial service requested by the Client only after complying with point 29. A.a and obtaining a written acknowledgement from the Client.

### 30. Dealing with conflict of interest

In case of any conflict between the interests of a Client and that of the Member, preference must be given to the Client interests.

- a. A member must –
  - i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and
  - ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between –
    1. its own interests and the interests of the Client; or
    2. the interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.
- b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.
- c. In this section, “conflicted remuneration” means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

### TERMINATION OF RELATIONSHIP

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.
32. The Member, Authorized Person 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.
33. In the event of demise/insolvency of the Authorized Person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the Authorized Person by the exchange and/or termination of the agreement with the Authorized Person by the Member, 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 Member and all clauses in the 'Rights and Obligations' document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

### ADDITIONAL RIGHTS AND OBLIGATIONS

34. a. The stock broker / Member shall not directly / indirectly compel the clients to execute Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute DDPI.
- b. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients 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 Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature
36. The Member shall make pay out of funds or delivery of securities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on 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. Accordingly, The member shall accept the request for payout of funds on T+1 basis.
37. The Member 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.
38. The Member shall send margin statements to the clients on daily basis. 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, warehouse receipts, securities etc.
39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member 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.
40. In case, where a member surrenders his/ her/ its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.
41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct
  - a. Unfair conduct in relation to financial products or financial services is prohibited.
  - b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes –
    - i. misleading conduct under point 41.B
    - ii. abusive conduct under point 41.C
    - iii. such other conduct as may be specified.
41. B.
  - a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves –
    - i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
    - ii. providing accurate information to the Client in a manner that is deceptive.
  - b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" –
    - i. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;
    - ii. the Client's need for a particular financial product or financial service or its suitability for the Client;
    - iii. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
    - iv. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
    - v. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and
    - vi. the rights of the Client under any law or regulations.
41. C.
  - a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –
    - i. involves the use of coercion or undue influence; and
    - ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
  - b. In determining whether a conduct uses coercion or undue influence, the following must be considered –
    - i. the timing, location, nature or persistence of the conduct;
    - ii. the use of threatening or abusive language or behavior;
    - iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
    - iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including–
    - v. the right to terminate the financial contract;
    - vi. the right to switch to another financial product or another Member and
    - vii. a threat to take any action, depending on the circumstances in which the threat is made.

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

42. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the Member . The client shall communicate to the Member 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.
43. The Member 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 e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
44. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.
45. The Member 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/circulars/guidelines issued by SEBI/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 Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/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 Member 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 rules/circulars/guidelines issued by SEBI/Exchanges.
46. The Member 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 Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI/ Exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
47. In addition to the e-mail communication of the ECNs to the client, the Member 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**

48. In addition to the specific rights set out in this document, the Member, Authorised Person and the client shall be entitled to exercise any other rights which the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.
49. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant exchanges, where the trade is executed, that may be in force from time to time.
50. The Member 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, if either party is not satisfied with the arbitration award.
51. 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/Business Rules and circulars/notices issued thereunder of the Exchanges/SEBI.
52. All additional voluntary/non-mandatory clauses/document added by the Member should not be in contravention with Rules/ Business Rules/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.
53. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant 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.
54. Members are required to send account statement to their clients every month.

**INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS TO CLIENT**

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

**Additionally, the clauses mentioned herein shall also be applicable.)**

1. Member is eligible for providing Internet based trading (IBT) and security/ derivative trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The Member shall comply with all requirements applicable to internet based trading/- security/ derivative trading using wireless technology as may be specified by SEBI& the Exchanges from time to time.
2. The client is desirous of investing/trading in security/ derivative and for this purpose, the client is desirous of using either the internet based trading facility or the facility for security/ derivative trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with security/ derivative trading through wireless technology/internet or any other technology should be brought to the notice of the client by the Member.
4. The Member shall make the client aware that the Member's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/ security/ derivative trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the Member.
6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/ security/ derivative trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The Member shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the Member shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Member and the Exchange do not make any representation or warranty that the Member's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Members/Exchange end for any reason beyond the control of the Member/Exchanges.

## GUIDANCE NOTE - DO's AND DON'Ts FOR THE CLIENTS

## DO's

1. Trade only through Registered Members of the Exchange. Check from the Exchange website board/Member- AP-Details to see whether the Member is registered with the Exchange
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading.
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link <https://www.mcxindia.com/en/login>. The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
19. Deliver the securities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand and comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by SEBI/exchanges.
23. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of security with the Member, stating date, security, quantity, towards which bank/ demat account such money or security deposited and from which bank/ demat account.
24. The payout of funds or delivery of securities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be 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) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant exchanges without delay.
  - c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant exchange.
  - d) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the exchanges.
25. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the security/ derivative or the member becomes insolvent or bankrupt.
26. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
27. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

## Don'ts

1. Do not deal with any unregistered intermediaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter into assured returns arrangement with any Member
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/ implicit promise of returns, etc.
5. Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member.
6. Do not start trading before reading and understanding the Risk Disclosure Agreement.
7. Do not neglect to set out in writing, orders for higher value given over phone.
8. Do not accept unsigned/duplicate contract note/confirmation memo.
9. Do not accept contract note/confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone.
11. Do not delay payment/deliveries of securities to Member.
12. Do not forget to take note of risks involved in the investments.
13. Do not sign blank Delivery Instruction Slips (DIS) while furnishing securities, deposits and/or keep them with Depository Participants (DP) or member to save time.
14. Do not pay brokerage in excess of that rates prescribed by the Exchange
15. Don't issue cheques in the name of Authorized Person.

## POLICY AND PROCEDURES

Sharekhan as a SEBI registered intermediary is mandated to follow the rules, regulations, circulars of the exchanges and SEBI issued from time and operates through well defined procedures and policies. The following policies have been mandated by SEBI to be made available to the clients. It should not be construed that these are the only policies followed by Sharekhan.

### (A) Refusal of orders for Penny Stocks

Penny stocks are scrips which have a very low value and may or may not be illiquid. Most times there would be very few buyers /sellers for such scrips. The exchange (NSE & BSE) releases a list of such scrips and they are termed as illiquid securities. Sharekhan retains the right to term a particular scrip as illiquid/penny stock based on the parameters it deems fit. These parameters may include, the past volume of the scrip, the volatility in the scrip among others, whether trading in a particular scrip falls within the purview of fraudulent trades or trades deemed to be fraudulent under the SEBI - prohibition of fraudulent and unfair trade practices relating to securities market regulation 2003.

Sharekhan reserves the right to facilitate clients for placing orders with regards to the penny stocks or illiquid scrips as described above. Sharekhan is not under any obligation to push orders which are in the nature of penny stocks/ illiquid scrips. Sharekhan does not encourage trades in penny stock. Sharekhan may permit trades in a penny or illiquid scrip subject to certain conditions, such conditions may include

- Submission of a declaration, by the client, such declaration would include the reasons for entering into the said transaction and also whether the client has abided by the all the relevant regulations.
- In case of a buy transaction the client may be asked to deposit the full value of scrip which the clients intends to purchase, in case of sale transaction, the scrip will necessarily be transferred to pool account prior to placing the sale order at discretion of Sharekhan Ltd. The client hereby authorizes Sharekhan to pledge the scrip with the respective Clearing Corporation.
- Assessment of the past trading pattern or records of the client prior to giving permission.
- Conducting in person verification of the said client to establish the genuineness of the intended trade.

Sharekhan reserves the right to refuse to place such orders whether or not the client fulfills the aforementioned conditions.

### (B) Setting up Client's exposure Limits

Exposure is allowed to the clients based on the margin available in form of funds or approved securities valued after deducting an appropriate haircut. Client is liable to pay applicable initial margins, withholding margins, special margins, delivery margin or such other margins as are considered necessary by the Exchange. Margin would be applicable on Buy and Sell trades.

Further Sharekhan at it's discretion may collect such additional margin or may further reduce the margin subject to extant regulations. Clients are supposed to maintain sufficient balance with Sharekhan pre trade depending on the channel through which they trade. Sharekhan may levy additional margins or relax the margins earlier imposed based on factors such as, client level positions, volatility in a particular stock or the market in general. Though it shall be our endeavor to ensure that a proper notice is sent to the clients, this may not always be possible taking into consideration the market scenario. Exposure allowed to clients may vary, basis the clients past trading performance, quality of collateral, market circumstances and dynamics and other such factors. In case the client is providing collateral in the form of approved securities as margin, a margin pledge shall be initiated by the client in favour of Sharekhan through physical or electronic instruction mechanism provided by the Depositories. Where the client has given Demat Debit and Pledge Instruction in favour of Sharekhan, the margin pledge shall be initiated by Sharekhan on behalf of the client. The margin pledge will be initiated as per the process defined by the Depositories/SEBI / Exchanges,

The client will receive a link on registered Email id / Mobile number mapped with depository (NDSL / CDSL) for confirmation of pledge in favour of Sharekhan. Client will have to enter an OTP received on Email id and /or Mobile number within the prescribed timeline to confirm pledge in favour of Sharekhan. The limit for trading on pledge securities will be given to client on best effort basis only post confirmation of creation of pledge in favour of Sharekhan. Sharekhan will not be responsible for any delay or non receipt of link / OTP from depositories for creation of pledge or non confirmation of pledge request by the client.

Sharekhan shall reserves rights to allow pledging of only selected securities at its own discretion. The trade limits on pledge securities shall be given after applying appropriate hair cut. Sharekhan shall not be responsible for delay if any, in pledging or un-pledging of client securities due to technical or any other issue at depository (NSDL / CDSL) as well as at Sharekhan end. Client shall ensure that correct Email and Mobile number is updated with Sharekhan at all the times so that, client can receive link and OTP for creation of pledge.

Sharekhan shall reserves rights to re-pledge the securities to the Clearing Corporations. In case the client defaults Sharekhan and/or the Clearing Corporations shall be entitled to invoke securities pledged by the client.

In case of failure of Early Pay-in instruction to Clearing Corporation by Sharekhan, any position taken by the client against the sell proceeds and on the event of failure of early pay-in on T day, penalty applicable due to shortage of margin may be levied on the client

Clients may trade themselves through the internet or may trade through the authorized person or branch. For clients who trade through the internet, the exposure limit may be ascertained by them on the trading portal. Clients executing trades through authorized person or branches may check their exposure positions with the authorized person / Branch.

Sharekhan shall not be responsible for any variation, reduction or imposition or the Client's inability to route any order through the Stock broker's website on account of any such variation, reduction or imposition of limits. Sharekhan may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities based on certain risk parameters.

(C) Applicable Brokerage

The brokerage applicable shall be as agreed upon from time to time. In case of any modification in the brokerage rate, the client shall confirm the same as required by Sharekhan. The client agrees to pay to Sharekhan, brokerage, Exchange related charges, statutory levies and any other charges (including but not limited to security handling charges on settlement) as are prevailing from time to time and as they apply to the client's account, transactions and with respect to the services opted by the client and thereby rendered by Sharekhan. Sharekhan does not charge brokerage more than the maximum brokerage permissible as per the rules and regulations and bye laws of the Exchanges/SEBI. However the minimum brokerage as stipulated by the exchanges will be levied. The brokerage shall be charged as a percentage of the value of the trade or as a flat fee or otherwise, together with the statutory levies as may be applicable from time to time on the same. In addition to the brokerage charged the following charges will also be levied.

Schedule of charges

1. Account opening fees
2. SEBI turnover fees as applicable
3. Exchange Transaction charges as applicable
4. Charges for margin pledge/unpledged of securities
5. Securities Transaction Tax (STT)\* and Commodity Transaction Tax (CTT)\*:- The STT and CTT rates will vary with regards to trades done on delivery basis, non delivery basis and trades done in the derivative segment .
6. Goods & Service tax \*
7. Stamp duty
8. Education Cess and higher Education Cess \*
9. In addition to the above Sharekhan shall debit the demat charges to the trading account.
10. In case there are any bank charges or any other charges levied by the exchange or any other authority on account of any violation done by the client, the same shall be charged to client
11. Delivery Handling Charges (DHC) would be levied on each sale transaction in case if the value of brokerage levied is less than Rs 21/-. The value of DHC would be difference of Rs 21/- and the brokerage would be charged.
12. In case where the brokerage levied as a percentage on the value of the shares/ contract is less than the minimum brokerage payable per share/contract. The client will be charged such minimum rate of brokerage per share instead of the percentage. \*These are government levies and are subject to change from time to time and will be charged in addition to the brokerage as applicable. All the above charges would be subject to change from time to time. Such changes shall be displayed on the website or such other URL used by Sharekhan from time to time.
13. For online client opting for contract notes in physical mode, handling charges of Rs. 10/- would be charged over and above the brokerage on each contract note. Statutory cost will be charged as per Exchange / Regulatory Authorities.

In case the brokerage rate is not specified on the brokerage chart as above, the default brokerage as mentioned below will be applicable:

**Default Brokerage**

Cash Market Brokerage	%	Min. Paise Per Share	Derivatives Segment		Currency Derivatives	
			Futures %	Flat	Futures %	Options%
First Leg	0.10	5	0.10	150/-	0.10	2.50
Second Leg(Same day Sq.off)	0.10	5	0.02	150/-	Nil	Nil
Delivery Brokerage	0.50	10	0.10	150/-	0.10	2.50

SLBM Segment	%
Processing charge on Fees	10%

In case of futures, the minimum brokerage of 0.01paise per share will be charged. In case of futures options, minimum brokerage will be Rs. 100/- per lot or 2.50% whichever is higher.

In case of currency futures, the minimum brokerage of 0.01paise per quantity will be charged. In case of currency options, minimum brokerage will be Rs. 30/- per lot or the above whichever is higher.

### Standard Brokerage

Percentage	Index / Stock Options Segment Min. amount per lot	Currency Options Segment Min. amount per lot
2.50	250	30
2	225	25
1.50	200	20
1	175	15
0.50	150	10

Brokerage Rate	Percentage	# In case of Options, maximum brokerage will be Rs. 250/- per lot or the above whichever is higher.
First Leg	0.10	
Second Leg(Same day Sq.off)	Nil	
Next Day	0.10	
Delivery Brokerage	0.50	
Options#	2.50	

**D. Imposition of Penalty / Delayed payment charges by either party, specifying the rate and period.**

Delay pay-in charges are levied to clients for delay in payment of their fund obligation on time which may be due on account of charges, margins or any other sum due to Sharekhan. Clients are required to pay margins before placing any trades. Clients are allowed to place margins in form of funds or pledge of securities in favour of Sharekhan Exposure will be given to client as explained in point no. B (setting up client's exposures limit) Appropriate haircut is applied on such stocks. They are then expected to make the full payment for the purchase on the settlement date. In case there is a debit balance in the clients account, the same shall be liable for the delayed payment charges. The calculation of these charges is an automated process. The charges to be levied would be up to 2% per month. These charges have been introduced so that they act as a deterrent for delaying the payment of funds.

In case where any penalty / charges /fees / taxes etc. of whatever nature, is levied on Sharekhan on account of trades or orders placed by clients, such penalty /charges /fees / taxes etc. shall be debited to the client's account. No interest will be paid on the credit balance lying in the client account or funds retained for margins etc.

The DPC shall be levied to the client in case the client does not maintain the 50% of margin in the form of cash and cash equivalent.

Below are examples where DPC will be levied.

	EX:1	EX:2	EX:3	EX:4
FNO Margin required	100000	100000	100000	100000
Ledger	50000	0	50000	0
Collateral after hair cut	50000	50000	0	0
Liquid BEES after hair cut	0	0	0	100000
Interest Charge (DPC)	NO	YES	YES	NO
Amount on which interest charge	0	50000	50000	0

**E. 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 dues:–**

Margin collection – Margin is collected upfront from the client's i.e. prior to executing any trades. Based on the margin thus available with Sharekhan, exposure is given to the client. The applicable margin may vary and the client may be asked to replenish the margin by tendering additional funds or securities. In accordance with SEBI/Exchange guidelines, Sharekhan retains the right to square off the position without giving any notice to the client.

- The client agrees to pay for the shares purchased through Sharekhan before the pay-in date in order to enable Sharekhan to make the requisite pay-in to the exchange. In case the client fails to make the payment, Sharekhan reserves the right to liquidate the securities in the clients account at any time within five trading days after payout or as per Risk Management of Sharekhan This square off may be done on or before the 5th day from the settlement date. Sharekhan may at its discretion also not liquidate the securities and may transfer such securities to its Client Demat account.
- The client also agrees to maintain adequate margin for the positions taken in any segment. However in case the credit available is lower than the minimum margin required, the client's positions would be liquidated in a manner that there is no shortfall of margin.
- Sharekhan shall endeavor to ensure that adequate prior information is given to the client for such liquidation. It shall inform the client through the mobile number and or email id updated with Sharekhan. For clients to whom a login and password is given to access their account on the website [www.sharekhan.com](http://www.sharekhan.com), or such other URL that may be provided by Sharekhan from time to time, where they are required to login and check the limit statement uploaded therein. It shall be the clients' responsibility to ensure that adequate credit balance is available in the account.

- The above guidelines may be changed based on the discretion of Sharekhan and in terms of the market conditions. In cases where the market is volatile and there is a sudden spurt in scrip price then Sharekhan may square off position without any notice due to the paucity of time and other such circumstances.
- Whenever Sharekhan endeavors that the positions are to be liquidated, it shall not be responsible for any liabilities in case the same cannot be liquidated.
- "In the event that your ledger account balance is insufficient to cover any fees, charges, or other amounts due, including but not limited to Annual Maintenance Charge (AMC), we reserve the right to deduct the amount lying as debit to your account due to any such amounts payable by you from any credit that is lying to your account or arises due to any transaction done/ to be done in your trading/demat account with Sharekhan Ltd, without any further intimation. Any resulting debits /losses that you may suffer on account of such debit being done to your account will be solely your responsibility and you hereby confirm that you shall not hold the trading member responsible or liable for any such losses/damages that may arise."
- The priority of the positions to be squared off, i.e. which positions to be squared off first, would be at the discretion of Sharekhan.  
Sharekhan may follow the following priority for squaring-off positions :-
  - a) Lower Margin scrip's and the scrips nearing the aforementioned deadline of five trading days will be squared off first.
  - b) Only futures position will be squared off (option position to be square off manually)
  - c) In case where there is a position in cash and derivative segment, futures positions would be squared off first then cash positions would be square off in case shortfall still exist.

F. Shortages in obligations arising out of internal netting of trades

**(Internal Shortage Policy)**

The client may not receive shares on T+1 (settlement date) in case there is an internal shortage situation within Sharekhan i.e. the buyer and seller are both Sharekhan clients and the seller defaults in delivery due to which the buyer may not receive the shares.

In case of any shortage, firstly, as on the payin day (settlement date), the defaulting seller would be debited with an amount being the closing price as on Tday or T+1 day, whichever is higher plus 30% for the default till such time the close out process can be completed.

In case there is an internal shortage, on T+1 for scrips listed on NSE and BSE, Sharekhan will purchase the shares from NSE. For scrips, listed only in BSE, Sharekhan will purchase the shares from BSE and will provide the shares to the buyer on receipt of delivery. The defaulting seller would be debited with the rate at which these shares were purchased, including the brokerage, statutory charges and other incidental charges including penalty if any.

In case of non receipt of delivery of purchased shares, the buyer would be offered credit at a closing price of T+3 day + 3% and the new seller would be debited at the same rate.

In case where Sharekhan is unable to purchase the shares on account of the scrip being in buying circuit or any other reason whatsoever,, the position would then be closed out on the closing price of the exchange on T+1 plus amount at the circuit percentage of 1 days (Maximum upto 20%).

In case of any corporate action for internal shortages, if original trade was executed at cum-rate, then Sharekhan will repurchase the shares at ex-rate in its Internal Shortage a/c. The amount of corporate action, as applicable will be debited to the Seller's a/c and quantity will be credited to the Buyer's account. For corporate action type being Buy back or in case of securities being delisted from trading, Sharekhan will close out internal shortages at last traded price or last traded cum rate price as applicable + 10% will be credit to buyer & debited to seller.

Sharekhan may also levy charges on the defaulting seller for non-delivery of stocks within the stipulated time.

- G. Conditions under which a client may not be allowed to take further position or the broker may close existing position of a client /Temporary suspending or close a client's account at the client's request and Deregistering a client
- a) In the event where overall position in any scrip or derivative contract has reached the limit prescribed by regulators or exchanges. For example, in case of NRI clients where the PIS Limits are prescribed by RBI are breached or in case of Exchange wise, scrip wise limit prescribed by Exchanges for derivative contracts are breached. In all such cases the client may not be permitted to take additional positions
  - b) Sharekhan has the right to stop or block the client to trade in case where there is a debit balance in his/her account
  - c) Sharekhan retains the right to block the client to take a position in certain specified scrips basis the risk management systems of Sharekhan.
  - d) In case where Sharekhan is apprehensive the client to be an entity debarred by any regulatory authority, it shall retain the right to stop the trading activities of such a client.
  - e) In case where Sharekhan perceives risk with regards to any regulatory action or with regards to delay or nonpayment of margin or any other obligation Sharekhan may temporary block or suspend the trades of such clients.
  - f) In case where the client's account is dormant for a period of more than 1 year Sharekhan shall mark such clients as inactive, and trades in the all the segments will be restricted till the completion of due diligence (including IPV) and receipt of updated information related to KYC from the clients for activating the account.

- g) In case where suspicious transactions are observed, including but not limited to off market transactions.
- h) In case where clients are not reachable at their contact details mentioned in the client registration form or in the client master changes form.
- i) In case where unprofessional, or unruly behavior of the client is observed.
- j) In case of any ongoing dispute with the client, we may not permit the client to take further positions and may even close out his open positions. We may also restrain client from executing any transaction in the account and shall have no obligation to intimate the client prior to any such blocking of account.
- k) Further in case of clients breaching the risk parameters mentioned in point H above we may close the clients' positions without any intimation.

In the event of death or insolvency of the client, winding up or liquidation or the client otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, the Stock Broker may close out the transaction of the client and the client or his legal representative as the case shall be would be liable for any losses, costs and be entitled to any surplus which may result there from.

## Sharekhan Limited

### POLICY FOR TREATMENT OF IN-ACTIVE/DORMANT ACCOUNT

This policy defines the treatment of In-active/Dormant accounts of the clients maintained with Sharekhan Limited (hereinafter referred to as Sharekhan).

#### For Trading Accounts

##### Background and Regulatory circular references:

SEBI vide circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009 has directed that a policy be framed by stockbrokers to deal with the inactive accounts. NSE vide its circular no. NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/46506 dated December 1, 2020 and NSE/INSP/49743 dated September 27, 2021, and NSE/INSP/64718 dated October 25, 2024, MCX vide its circular no. MCX/INSP/087/2020 dated February 11, 2020 and MCX/INSP/908/2020 dated December 2, 2020 and MCX/INSP/716/2024 dated October 28, 2024 and BSE vide its notice no. 20200210-47 dated February 10, 2020 and 20201201-27 dated December 1, 2020 and Notice No. 20241025-25 dated Oct 25, 2024 has issued guidelines on treatment of inactive trading accounts.

##### Definition of Inactive Trading Account:

1. In the case of trading account, the term inactive account refers to such account wherein any of below mentioned activities has not been carried out by clients since last 24 (Twenty-Four) months:

- Trading or participation in OFS/buy-back/Open Offer across any of the exchanges / segments\* (\*Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time) of the exchanges through Sharekhan.

or

- Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through Sharekhan.

or

- Modification/updating of e-mail Id/Mobile Number/Address in KYC record of client through Sharekhan and the same has been uploaded to KRA to ensure Validated/Registered status.

2. The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by Sharekhan in the UCC database of all the respective Exchanges.

In case the client who is flagged as inactive seeks re-activation of the trading account, Sharekhan, will reactivate the account of the client and shall undertake In-Person Verification/Video. In-Person Verification (IPV/VIPV) as specified in the SEBI Master Circular on KYC dated October 12, 2023.

- Sharekhan shall seek confirmation from the client if there is any change in clients' basic attributes such as Address, Mobile number, Email ID, Bank/DP account, income, etc. registered with Sharekhan.

In case of changes in any of the said details, Sharekhan shall seek the updated details along with the necessary applicable documents and update Sharekhan records as well in the UCC records of the all respective Exchanges.

In case of KRA is in "Validated" or "Registered" status through Sharekhan (i.e. same intermediary cases), the Sharekhan may fetch the details along with the necessary documents from the KRA record and display the said details for confirmation of the client and updating in its record. If there is change, then Sharekhan shall update the UCC records of Exchanges as well as KRA. If the client has confirmed that there is no change, Sharekhan shall maintain the verifiable logs of the same.

- In case a client seeks re-activation then Sharekhan shall verify client status as per KRA and if the client status as per KRA is not validated ( i.e. "On hold"/"Rejected"/"Registered" through other intermediary, etc.) then Sharekhan shall seek basic details like Address, Mobile number, Email ID, Bank/DP account, income, etc. along with the necessary applicable documents as required by KRA and upload the same to KRA to ensure validated/registered status as per KRA before permitting client to trade on the Exchanges.

3. Once an inactive trading account is re-activated as per the procedure prescribed in point no. 3 mentioned above, the computation for the next 24 months for the purpose of identifying the client as inactive in the subsequent period shall be considered from the date of last reactivation of the trading account.

4. Sharekhan may send the communication/notification to the clients prior to flagging their trading account as inactive however such communication/notification should not ask the clients to trade to prevent their accounts from being flagged as inactive.

5. Sharekhan shall not be required to upload the details of such inactive clients having NIL balances in daily submission of Holding Statement to the Exchange as prescribed in Exchange Circular and daily submission of Segregation and Monitoring of Collateral at Client level to Clearing Members/Clearing Corporations. However, details of the clients having funds or securities balances shall be reported (daily submission of Segregation and Monitoring of Collateral at Client level file reporting to Clearing Corporations in case of funds and daily submission of Holding Statement to the Exchange in case of securities) even if their UCC has been flagged as 'Inactive'.

6. Sharekhan shall also ensure adequate due diligence of the client on an ongoing basis (including, but not limited to, doing Re-KYC) in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with our KYC policies.

7. Return of Clients' assets:

Sharekhan is required to ensure that all client accounts are settled on a monthly or quarterly basis (as per the client preferences) in the manner prescribed by exchanges from time to time.

In case a Sharekhan is unable to settle the client accounts due to non-availability of client's account details and non-traceability of client, we shall make all efforts to trace the clients to settle their account and maintain an audit trail for such efforts made for tracing such clients and settling their account.

In case of receipt of any claims from such clients, Sharekhan would settle the client's account immediately and ensure that the payment/delivery is made to the respective clients only. Further Sharekhan shall keep such unsettled funds up streamed to Clearing Corporations.

**For Demat Accounts:**

**Background and Regulatory circular references:**

SEBI Circular no. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/18 dated March 20, 2024, CDSL ref no.: CDSL/OPS/DP/POLCY/2024/162 March 21, 2024 and NSDL ref no.: NSDL/POLICY/2008/0021 dated April 4, 2008, and NSDL ref no.: NSDL/POLICY/2024/0036 dated March 21, 2024.

**Definition of Inactive accounts:**

The Demat accounts wherein no transaction had taken place for a continuous period of 12 (Twelve) months shall be flagged as Inactive accounts.

Further, credit in the demat account through purchase of securities and voluntary corporate action (such as subscribing to rights issues/systematic investment plans (SIPs) of mutual funds, etc.) may be considered as a transaction for assessing the dormancy. However, any credit due to involuntary corporate action (such as bonus, split, etc.) may not be considered as transaction for assessing the dormancy.

All the non-financial transactions (such as updating of KYC) shall also be considered by the Depository Participant (DP)s for treating the demat account as inactive / dormant i.e. if the KYC details are updated basis on client request/s during a continuous period of 12 months but has not done any securities transactions the demat account shall be considered as active.

Additional due diligence would be observed over and above the normal verification procedure while processing debit transactions in such accounts. The transaction shall also be verified with the Beneficial owner in case of high value debits and the details of the process, date, time, etc., of the verification on the instruction slip shall be recorded under the signature of the depository official.

**Review of Policy**

The policy will be reviewed on a yearly basis or as required by the regulator from time to time.

<b>Version 5.0</b>	
<b>Name of the Entity</b>	<b>Sharekhan Limited (Mirae Asset Sharekhan)</b>
Policy Prepared by	• Sonia Motorwala - FS/KYC - Compliance
Policy reviewed by:	• Jason Rodney - HOD – KYC Operations
Approved by:	• Joby John Meledan - Chief Compliance Officer
Approved by the Board on	Date: _____
Last date of Review:	1. February 7, 2024 2. February 10, 2023 3. May 28, 2021 4. November 12, 2020

**Summary of Changes made in the Policy:**

1. Annual review with addition of MASK logo.
2. Policy amended in line with latest regulatory changes made vide circular reference no.: NSE ref no.: NSE/INSP/64718 dated October 25, 2024, MCX ref no.: MCX/INSP/716/2024 October 28, 2024 and BSE Notice No. 20241025-25 dated Oct 25, 2024, CDSL ref no.: CDSL/OPS/DP/POLCY/2024/400 July 18, 2024 and SEBI Circular no. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/18 dated March 20, 2024, CDSL ref no.: CDSL/OPS/DP/POLCY/2024/162 March 21, 2024 and NSDL ref No.: NSDL/POLICY/2008/0021 dated April 4, 2008, and NSDL ref No.: NSDL/POLICY/2024/0036 dated March 21, 2024.

**Confirmation and Acceptance Terms and Conditions governing the services provided by the Stock Broker.(Voluntary)**

**PREAMBLE**

- The Client has opened an account with the Stock Broker for the purpose of trading on various exchanges and has accepted statement of Rights and Obligations.
- For the purpose of taking additional services from the Stock Broker and in order to define the operating terms and conditions, the Stock Broker and the Client have acknowledged to the terms and conditions herein contained.
- The Client understands that some of the terms and conditions may be more stringent than that provided in the Rights and Obligations and the Client has acknowledged and accepted such terms and conditions.
- The terms and conditions contained herein are binding on the Client. The Client has acknowledged to avail of services from the Stock Broker after fully understanding the terms and conditions. The terms and conditions shall be subject to modification from time to time and such modifications are binding on the Client.
- At present Sharekhan Ltd. will not be providing trading into the agricultural commodities based on internal policy of the company and we may provide trading in agricultural commodities in the future at the discretion of the entity.

**E-BROKING SERVICES, WIRELESS SECURITIES TRADING and, DIAL AND TRADE SERVICES**

Whereas The Stock broker is in the business of offering various services including E-Broking Service and securities trading through the use of wireless technology to its clients and acknowledge to provide such services to the Client and client acknowledge to avail such services from stock broker subject to terms & conditions of this annexure and/or on the Stock Broker's Website and the Exchange provisions.

The Stock Broker agrees that it has complied / shall comply with all requirements applicable to securities trading using wireless technology as may be specified by SEBI & the Exchange from time to time. The provisions of this Terms and Conditions shall always be subject to Government notifications, any rules, regulations and guidelines issued by SEBI and Stock Exchange rules, regulations and Bye-laws that may be in force from time to time.

Whereas the Stock broker, as required under Regulations, hereby conveys that it is not carrying on proprietary trading.

Now, therefore, in consideration of the mutual understanding set forth in this Annexure, the client thereto has acknowledged to the following:

The client acknowledges that he has read the Risk Disclosure Document appended hereto and understands the trading & risks involved in the trading of these instruments and confirms to be fully responsible for the dealings into these instruments. The client has understood, appreciated and assumed all the risks associated with purchasing, selling and trading in these instruments whether contained in risk disclosure document or not. The failure of the client to understand the risk involved or the failure of the member to explain the risks to the client shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in equity and derivatives transactions carried out on the exchange.

**1.1 DEFINITIONS**

- 1.1.1 "Exchange" means Bombay Stock Exchange Limited, National Stock Exchange of India Limited, and Multi Commodity Exchange of India Limited and includes segments of the Exchange. It shall also include any other exchange duly recognized under the Laws of India and such exchanges where the stock broker is a registered member and allows trading facilities and which the client may consent for trading.
- 1.1.2 "Exchange Provisions" means the Rules, Business Rules, Bye-laws, Regulations, Business Requirement, Specifications, handbooks, notices, circulars and resolutions of the Exchange or any segment of the Exchange in force from time to time and includes the Minimum Requirements Handbook for ITORS prescribed by the Exchange, as amended from time to time.
- 1.1.3 "E Broking" means Internet based Trading through Order Routing System (ITORS), being a system approved by the Exchange for enabling clients to route their orders to their Stock broker over the internet and also includes trade done through the wireless technology.
- 1.1.4 "E broking Account Application" means the application submitted by the Client to the Stock broker to permit the Client to avail of the Stock broker's E-broking Service.
- 1.1.5 "E broking Service" or "Service" means the ITORS service offered by the Stock broker to its clients through Website including the low bandwidth website or any other approved application where under the clients can route their orders for purchase, sale and other dealings in securities through the Stock broker's website.
- 1.1.6 "Wireless Technology" shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP).
- 1.1.7 "Stock broker's E Broking system" or "Stock broker's e broking Website" means the web site hosted by the Stock broker on the internet through which the Stock broker offers the E broking Service or any other authorized application including the low bandwidth website dial and trade, speed trade and trades executed through dealers / authorised persons or through any application approved by the exchange or any other mode for which the broker has obtained the required approval and includes the Hardware and software used for hosting and supporting the Website.

- 1.1.8 "Password" means an alphanumeric code used by the Client to validate his/her username and access the Service.
- 1.1.9 "SEBI" means the Securities & Exchange Board of India.
- 1.1.10 "Username" means an alphanumeric login identification used by the Client for accessing the Service.
- 1.1.11 "Sanctions" means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the United States of America, the United Nations Security Council, and/or the European Union.
- 1.1.12 "Subject Transactions" activity involving directly or indirectly with countries: CUBA, IRAN, NORTH KOREA, SYRIA, and CRIMEA/SEVASTOPOL or any country listed in the sanctions enforced by above mentioned country or authority.

\* Derivative – includes

- (A) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
- (B) a contract which derives its value from the prices, or index of prices, of underlying securities;]
- (C) commodity derivatives; and
- (D) such other instruments as may be declared by the Central Government to be derivatives;]

1.2 Stock broker offers/intends to offer broking through the internet or other services through web site [www.sharekhan.com](http://www.sharekhan.com) including the low bandwidth website therein. The said website is owned and maintained by the Stock Broker. Stock broker also offers/intends to offer Dial and Trade services to the Client. Electronic broking services, Wireless Technology or dial and trade services or any other services through electronic mode shall be referred to as E-broking services.

1.3 The Stock broker shall provide information with respect to the addresses of the Internet web site / web page where detailed information would be available about securities trading through the use of wireless technology. The Client is aware that as it may not be possible to give detailed information to the investor on a hand held device e.g. mobile phones, minimum information may be given with address of the Internet web site / web page where detailed information would be available.

1.4 Before availing of the services, the Client shall complete registration process as may prescribe from time to time.

1.5 The client shall follow the instructions given in the web site for registering himself as a client. Such formalities will include selection of user id, passwords, basic client information etc. Once the system accepts the details inserted by the client the client will be registered as a user.

1.6 If the client has availed E Broking Services offered by the stock broker, then client shall be entitled to a username, a trading password and customer user identification number and Telephone personal identification number (T-Pin Number) or other identification or security code (by whatever name called) which will enable him to avail of the facilities of E-broking through the stock broker's Web site over the telephone or in any such other manner as may be permitted/offered by the Stock Broker for availing of the services. All terms regarding the use, reset and modification of such password shall be governed by information on the web-site.

1.7 The client is aware that the Stock Broker's system itself randomly generates the initial pass word encrypts and passes on the password to the client, the client acknowledge and undertakes to immediately change his initial password upon receipt thereof. The client is aware that the subsequent passwords also are not known or available to the Stock Broker or any third party other than his authorized representative.

1.8 The services on the Website shall be available to the registered user subject to the terms and conditions mentioned thereof.

1.9 The client acknowledges that he is fully aware of and understands the risks associated with availing of E-broking services through the internet including the risk of misuse and unauthorized use of his Username and/or trading password, T-pin number by a third party and the risk of a person hacking into the Client's trading account on the website and unauthorisedly routing trade orders on behalf of the Client through the system. The client acknowledge that he shall be fully liable and responsible for any and all unauthorized use and misuse of his trading password and / or username/T-pin number and also for any and all acts done by any person through the website using the Client's username in any manner whatsoever. Further at no point in time shall the Stock Broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the use and misuse of the trading password and/or the Client username.

In case, the client discovers unauthorized access/ security flow, the Client shall immediately change his Password. However, if the Client is unable to change his Password by reason of his having forgotten his Password or his Password having been unauthorisedly changed by some other person or for any other reason, then the Client shall immediately request the Stock broker in writing to discontinue his old Password; and thereupon the Stock broker shall cause the Stock broker's e-broking system to discontinue the use of the Client's old Password and the Stock broker's e-broking system shall generate a new Password for the Client which shall be communicated to the Client. At no point in time shall the Stock broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the Password.

1.10 The stock broker shall be entitled to presume that any orders or instructions entered or communicated using the client's user name, customer user identification number, T-pin number and password is the client's own order or instruction or that of the client's duly authorized representative. The client will be fully responsible and liable for, and will pay or reimburse to the stock broker on demand all costs, charges, damages and expenses incurred by the stock broker as a consequence of access and or use of client's account, stock broker's system or service by any third party using the client's user name, customer user identification number, T-pin number and pass word.

- 1.11 The Client shall log off from the website at any time the Client is not accessing or using the service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall be borne solely by the Client.
- 1.12 The client shall, if desired by him, provide to stock broker a Demat Debit and Pledge Instruction, authorising the stock broker to debit/credit, block/create lien/pledge in favor of Clearing Corporation in the client's depository accounts through its authorised personnel to the extent of transaction conducted by the client, margin provided by the client and any amount due and payable under any head, account or name, to the stock broker.
- 1.13 The client acknowledge that orders, instructions and other communications given or made over the telephone may be routed through the stock brokers interactive voice response or other telephone system may be recorded by the stock broker. The client also acknowledge that such recording and the stock broker's records of any order(s), instructions and communications given or made by the client or the stock broker by electronic mail, fax, or other electronic means shall be admissible as evidence and shall be final and binding evidence of the same.
- 1.14 The client acknowledge to provide information relating to customer user identification number T-pin number and such other information as may be required while placing orders on the telephone to determine the identity of the client. Provided however that nothing prevents the Stock Broker from accepting instructions from the Client over phone without usage of T-pin number and such acceptance of instruction by the Stock Broker shall be binding on the Client.
- 1.15 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 Website (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed, the companies in respect of whose securities orders can be placed, etc.). The Client is aware and acknowledges 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, and the Stock broker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client acknowledge 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 website on account of any such variation, reduction or imposition of limits. The Client understands and acknowledges that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities through the stock broker.
- 1.16 Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on the stock broker's Website, the stock broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.
- 1.17 The Client acknowledge that the Stock broker may, at its sole discretion, subject any order placed by a Client to manual review and entry, which may cause delays in the processing of the Client's order or may result in rejection of such order. The Client also understands and acknowledge that in absence of valid POA or DDPI or E-Dis the stock broker reserves its right to reject any sell order and/or bracket order and/or any such order at its sole discretion without giving any prior intimation to the Client.
- 1.18 In case of a market order, the Client acknowledge that he will receive the price at which his order is executed by the exchange's computer system; and such price may be different from the price at which the security is trading when his order is entered into the stock broker's website.
- 1.19 The Client acknowledge and under takes to immediately deposit with the Stock broker such cash, securities or other acceptable security, which the Stock broker may require as margin. The Client acknowledges that the stock broker shall be entitled to require the Client to deposit with the stock broker a higher margin than that prescribed by the Exchange. The stock broker shall also be entitled to require the Client to keep permanently with the stock broker a margin of a value specified by the stock broker so long as the Client desires to avail of the Stock broker's e-broking system.
- 1.20 The client understands and acknowledges that the stock broker may discontinue e-broking service in part or in its entirety and change the terms of service (including the terms on the Stock brokers e-broking Website) at any time after giving 15 days notice to the client.

## **2. TRADING, SETTLEMENT AND ACCOUNTS**

- 2.1. The client acknowledge that all orders placed by him for securities through the web-site and through wireless technology shall be within the parameters defined and mentioned in the terms and conditions specified in the Web-site.
- 2.2 The client acknowledges that all orders placed through the web-site and through wireless technology shall be forwarded by the system to Exchange. All orders placed otherwise than through the web-site shall be forwarded to the system of the Exchange through the Exchange terminals or any other order execution mechanism at the discretion of the Stock Broker.
- 2.3 All orders for purchase, sale or other dealings in securities and other instructions routed through the Stock broker's website via the Client's Username shall be deemed to have been given by the Client.
- 2.4 On line confirmation will be available to the client upon execution of trade of an order placed by him through the Stock Broker's system. It shall be the responsibility of the client to review, immediately upon receipt, all confirmation of orders, transactions, or cancellations. It shall be the responsibility of the client to follow up with the Stock Broker for all such confirmations that are not received by him within stipulated time.
- 2.5 The Stock broker sends various reports, margin statements, confirmations, contract note of executed trades/ transactions (including executed prices, scripts or quantities) / transactions) or any other documents. Clients shall verify the communications sent by the stock broker. If any discrepancy is observed, the same will be forthwith brought to the notice of the stock broker.  
If any statement of whatsoever nature is sent by our employees/ authorized persons, the same shall be verified by the client with the contract notes. In case of any discrepancy, data as per contract note shall prevail.

- 2.6 There may be a delay in the Stock Broker receiving the reports of transaction, status, from the respective exchanges or other persons in respect of or in connection with which the stock broker has entered into contracts or transactions on behalf of the clients. Accordingly the stock broker may forward to the client late reports in respect of such transactions that were previously un-reported to him has been expired, cancelled or executed. The client shall not hold the Stock Broker responsible for any losses suffered by the client on account of any late reports, statements or any errors in the report/statements computed by or received from any exchange.
- 2.7 The client acknowledges that if, in any circumstance or for any reason, the market closes before the acceptance of the Order by the Exchange, the Order may be rejected. The client acknowledges further, that the Stock Broker may reject Orders if the same are rejected by the Exchange for any reason. In case of rejection of an order due to rejection by the Exchange, the client acknowledges that the order shall remain declined and shall not be re- processed, in any event.
- 2.8 The Stock Broker may, at its sole discretion, reject any order placed on the web-site or in any other manner due to any reason, including but not limited to the non-availability of funds in the trading account of the client, non- pledge of securities in favour of Sharekhan towards collaterals, insufficiency of margin amount if the client opts for margin trading, suspension of scrip- specific trading activities by or on an Exchange and the applicability of circuit breaker to a scrip in which orders are placed.
- 2.9 The client is aware that the Stock Broker may provide a facility for reconfirmation of orders, which are larger than those specified by the Stock Broker's risk management, and is also aware that the Stock Broker has the discretion to reject the execution of such orders based on such risk perception.
- 2.10 The client acknowledges further that the Stock Broker shall have the right to reject any order placed by the client for any reason and at any time without notice to the client.
- 2.11 The client acknowledge that, if any order (including square off order) is not accepted or not executed or cancelled, on the web-site or on direct terminals for any reason whatsoever, the Stock Broker shall have the right to treat the order as having lapsed. The client cannot claim any notional profit or consequent notional loss due to order not being executed or cancelled by the exchange.
- 2.12 The client is aware that the electronic trading systems at the Exchange or in the Stock Broker's offices or the service provider for wireless technology are vulnerable to temporary disruptions, breakdowns or failures. In the event of non execution of trade orders or trade cancellation due to the happening of such events or vulnerabilities due to failure/disruption/breakdown of system or link, Stock Broker shall be entitled to cancel relative contracts/(s) with the Client and shall not be able to execute the desired transactions of the client's. In such event, the Stock Broker does not accept responsibility for any losses incurred including loss of profit / notional profit / that may be incurred by the Client due to such eventualities which are beyond the control of the Stock Broker.
- 2.13 The Stock Broker may at its sole discretion permit execution of orders in respect of securities, irrespective of the amount in the balance of the account of the client.
- 2.14 The client acknowledge to abide with and be bound by all the Rules and Circulars that the Stock Broker may issue from time to time, and all rules, regulations and bye-laws of the Exchange as are in force pertaining to the transactions on his behalf carried out by the Stock Broker and the orders placed by him on the web-site or any other manner.
- 2.15 The systems used by the Stock Broker for providing e-broking services or dial up services are generally capable of assessing the risk of the client as soon as the order comes in. However, due to any reason whatsoever, if the order is processed without sufficient risk cover from the client, client shall be bound by such trade and shall provide such sum as may be required to meet his liability under the trade.
- 2.16 Any and all instructions issued by an authorised representative of the client shall be binding on the client in accordance with the letter authorising the said representative to deal on behalf of the client. All authentication of the authority of a client to instruct the Stock Broker to deal on behalf of the client shall be determined by the terms in this regard mentioned on the web site.

#### **\*Margin**

- 1. Collateral:** The Client shall pay to the Member such amount as an initial deposit (collateral / initial deposit) as decided by the Member, and in such form as may be approved by the Member up-front, on or before creating a position in any contract. The Member shall reserve the mark up margin (commonly referred to as 'haircut margin') from the collateral, which shall not be utilized for margin requirements. The collateral reduced by markup / haircut margin shall thereafter be utilized against creating and maintaining the position by the Client. The mark up margin shall be subject to the change from time to time as may be decided by the Member and / or the exchange.

- 2. Mandate for acceptance of securities towards margins.**

The client acknowledges that the client would have to deposit margins as applicable per the risk management policy of Sharekhan Ltd for trading in securities. The client also acknowledges that such margins are subject to change at the discretion of the member. The Client acknowledges that such margins shall be pledged with the member in form of the stocks and securities as approved by the member from time to time, subject to appropriate haircuts. The client agrees that such approved list of securities and the haircut thereon are subject to change at the discretion of the member. The client acknowledges that all such securities which are placed with the member as margin/collateral shall be pledged in favor of the member through physical instruction or electronic instruction mechanism provided by the Depositories. In case the client has executed Demat Debit and Pledge Instruction in favour of the member, the pledge shall be executed by the member on behalf of the client. The client acknowledges that such securities pledged with the member as margin are free of any lien or encumbrance and would be held

by the member in fiduciary capacity. The client further acknowledges that the member shall be liberty to further pledge such securities with clearing corporations. The client also acknowledges that any such stock deposited, would be released back to the client, in case a request for the same is received by the member or in accordance with the SEBI / Exchanges guidelines, subject to compliance with the margin collection norms of the member.

The client also acknowledges that margins are subject to change. The member shall endeavor to inform the client about any shortfall in the margin available, and the client agrees to fulfill such shortfall to avoid squaring off of the position. Client also acknowledges that in case the margin is not fulfilled within the given timeline, the member shall be at the liberty to invoke the pledge and sell the securities pledged as margin with the member. The client acknowledges that such sale of securities shall be carried out in the client account and due credit, post relevant charges shall be credited to the account of the client on settlement with the broker. It is agreed that the member may choose the broker of its' own choice to carry out such transactions. The above terms shall be in addition to the existing terms and conditions agreed between the client and the member. Any changes by the Regulators from time to time in this regard shall deemed to be forming part of the agreement. The Member may change the terms and conditions in this regard from time to time by giving 15 days notice to the client and such changes shall be binding on the client.

3. **Utilization by Member of the Initial Deposit by the Client:** The initial deposit so paid shall be first utilized towards initial margin requirement as calculated by the Exchanges from time to time and the balance if any, after such adjustment against initial margin payments, will be available for adjustment against daily margin requirement, Mark to Market (MTM) loss on open positions created by the Client. The Client shall forward in advance a written request to the Member for adjustment MTM loss against the cash portion of the collateral.
4. **Payment of Margins:** The daily margin requirement can be adjusted against the collateral pledged by the Client with the Member. The Member may accept from the Client further order, which, if executed, will add to the open positions, only if the balance pledged collateral is adequate to meet the initial margin on such new positions. If the balance collateral is not adequate for adjusting the daily margin requirement, the Client shall deposit the additional margins as required by the Member. The Client shall also be obliged to pay the shortfall of the daily margin, if any, on the immediate succeeding business day when the Member raises such additional margin requirement. The Client may not be permitted to create any new open positions, until receipt of such additional margin. In case the client creates position without margin, then the client would be responsible for any loss that may occur.

If the Client defaults in paying the daily margin, the Member shall be entitled to liquidate / close out all or any of the Client's positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client. The Member is permitted in its sole and absolute discretion to impose additional margin (even though not imposed by the Exchanges, the Clearing Corporation / Clearing House) and the Client shall be obliged to fulfill such additional margin requirements.

**Receipt & payment of Premium MTM:** The Member will block upfront from the collateral pledged with it the MTM loss on open positions. The Member shall accept from the Client further order, which, if executed, will add to the open positions only if the balance collateral is sufficient to meet the requisite margin on such new positions. The Client shall be obliged to pay the amount of MTM loss blocked against the collateral on the immediate succeeding business day. The Member will adjust the Client's liability towards MTM loss against the initial deposit maintained in cash by the Client, provided a written request is given by the Client to the Member to this effect. If the Client defaults in paying in the MTM loss, the Member shall be entitled to liquidate/ close out all or any of the Client's positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client.

In case of online transfer of funds (through NEFT, RTGS and IMPS), if Sharekhan receive the same before 6:30 pm on Trade (T) day, credit would be given in the ledger (subject to third-party validation) on the same day (T day). Any online transfer received after 6:30 PM on T day will be accounted in the client ledger on the T+ 1st day accordingly, client will be liable for penalty if any, due to shortfall in payment of margin / MTM.

On a written request from the Client, MTM profit (on derivative positions) as per regulations shall be adjusted towards the collateral maintained with the Member. These adjustments pertaining to MTM profit shall be treated as additional collateral brought in by the Client and the Member shall reserve the mark up margin from this collateral, which shall not be utilized for margin requirements. The total collateral (inclusive of mark to market inflows) reduced by markup shall thereafter be utilized against creating and maintaining the position by the Client.

5. **Liquidation / Close out positions:** If the complete recovery is not possible then, the Member shall be entitled to liquidate / close out all or any of the Client's other outstanding positions, without prejudice to the Member's right to recover the damage from the Client. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client.

## 2.17 Cancellation or modification of the requests:

- 2.17.1 Cancellation or modification of an order pursuant to the client's request in that behalf is not guaranteed. The order will be cancelled or modified only if the clients request for cancellation and modification is received and the order is successfully cancelled or modified before it is executed. Market orders are subject to immediate execution wherever possible.

- 2.17.2 The clients shall not be entitled to presume an order having been executed, cancelled or modified until a confirmation from the Stock Broker is received by the client. However due to technical and other factors the confirmation may not be immediately transmitted to or received by the client and such a delay shall not entitle the client to presume that the order has not been executed cancelled or modified unless and until the stock broker has so confirmed in writing.
- 2.17.3 All the pending orders are cancelled by the exchange, after the market is closed for the day.
- 2.18. The Stock Broker shall not be responsible for the non-receipt of the trade confirmation due to any change in the correspondence address or E-mail Address of the Client not intimated to the Stock Broker in writing. The Client is aware that it is his/her responsibility to review the trade confirmations, the contract notes, the bills or statements of account immediately upon their receipt. All information contained therein shall be binding upon the Client, if the client does not object in writing to any of the contents of such trade confirmation/intimation within reasonable time to the Stock Broker.
- 2.19 The Stock broker may allow/disallow client from trading in any security or class of securities or derivatives contracts and impose such conditions for trading as it may deem fit from time to time.
- 2.20 Client is aware about the rules, bye-laws and regulations of the Exchange and SEBI. Client is aware that dealing at unreasonable prices, making cross deals in illiquid scrips without economic rationale, price rigging and such other acts or trade practices are in violation of the Bye-Laws, Rules, Regulations of the Exchange and SEBI. The client hereby under takes not to indulge into such malpractices.
- 2.21 The Stock Broker shall also send the Order/Trade confirmation slip through E-mail to the CLIENT at his request, after putting an order or on execution of order/trade on the NEAT /BOLT Plus TWS Trading system, as the case may be. The CLIENT acknowledges that the information sent by Stock Broker by E-mail is deemed to be a valid delivery of such information by the Stock Broker. The aforesaid information regarding order and trade confirmation shall be provided on the device of the CLIENT in case of securities trading through the use of wireless technology.

### **3 DEMAT ACCOUNT**

- 3.1 The client acknowledges to open, maintain and operate a valid Demat account with the depository participant designated by Stock Broker.
- 3.2 The client acknowledge that the Stock Broker may require the client, at any time during the subsistence of any arrangement relating to the subject matter of these presents, to open one or more Demat accounts with the depository participant designated by Stock Broker. The client acknowledges that the debit/ credit for all the transactions may be effected in this/these accounts.
- 3.3 The Client also authorizes the Stock Broker to debit charges payable to depository participant for depository services including for pledge, and unpledged of shares to the trading account of the Client maintained with the Stock Broker.

### **4. BANKACCOUNT(S)**

- 4.1 The client acknowledge that the Stock Broker may, at any time during the subsistence of any arrangement relating to the subject matter of the presents, require the client to open one or more accounts with a designated bank. The client acknowledges that the debit/credit for all the transactions may be effected in this/these accounts.
- 4.2 The client acknowledge that the Stock Broker shall have the right, at any time during the subsistence of this Terms and Conditions, to give any instructions pursuant to transactions covered under this Terms and Conditions to the banks with whom it has affiliations or any other arrangement, in respect of the account of the client maintained with such bank. The client acknowledge that he shall have no cause of action in respect of any instruction that may be given to the bank in respect of the accounts maintained with such bank in pursuance of the presents.
- 4.3 The client acknowledge that the Stock Broker may reveal certain information available with the Stock Broker in the course of the arrangement with the client, to the bank with whom such client maintains bank accounts pursuant to these presents, and the client shall have no remedy therefrom.
- 4.4 The client acknowledge that in the event the designated bank terminates the Terms and Conditions with the client in respect of the bank account maintained by the client with such designated bank, for any reason or informs the Stock Broker of any misdemeanor or transgression by the client in the operation of the account or in any other circumstance resulting in the closure or in operation of the said bank account with the designated bank, the Stock Broker may, at its discretion terminate services to the client and the client shall have no remedy therefrom.
- 4.5 The client confirms that the bank account linked to the trading account is the valid bank account of the client.

**\*Change in Information:** The Client shall immediately notify the member in writing or through an agreeable mode if there is any change in the information provided by the Client to the Member at the time of opening of the account or at any other time thereafter. The Client shall provide and continue to provide all details/documents about him/herself/themselves as may be required ,the member including but not limited to PAN Number/ Email Id / Mobile number, and confirm that all such details/documents provided to the member is true and valid.

### **5 OTHER SERVICES:**

- 5.1 Stock Broker through its web-site [www.sharekhan.com](http://www.sharekhan.com) or any other means intends to offer various services including the Mutual funds offered through the Exchange platform ("the Services") to the Client. The Client may avail any or all such services that are introduced on or any other application as may be offered (referred as "the Website"). These Services shall include but shall not be limited to transactions for the purchase

or sale of shares and securities or an order for the purchase or sale of or an application for any offer or public issue of shares, scrips, stocks, bonds, debentures, units of any Mutual Fund or any other security or financial instrument, derivative, Small Saving Schemes, Bonds, Fixed Deposits, Public Provident Fund and insurance policies, products and services, whether life or general or otherwise or such other products or services that Stock Broker may in its absolute discretion introduce or offer from time to time (hereinafter referred to as "Investment Products").

- 5.2 The client has satisfied itself of the capacity of Stock Broker to offer services relating to investment by Client in Investment Products and the Client shall continue to satisfy itself of such capacity of Stock Broker before availing any services.
- 5.3 The transactions shall be executed in accordance with the applicable laws, byelaws, rules and regulations governing the specific Investment Product. The client shall be bound by circulars issued by the exchanges, rules regulations and circulars issued under by SEBI, AMFI and relevant notifications of Government authorities as may be in force from time to time. Stock Broker may, from time to time, impose and vary limits on the orders which the Client may place including exposure limits, turnover limits, limits as to numbers etc. The Client agrees that Stock Broker shall not be responsible for any variation or reduction that may be deemed necessary by Stock Broker based on risk perception and other relevant factors or reason for which may not be disclosed to client.
- 5.4 The client shall notify the Stock Broker in writing if there is any change in the information in the client registration form provided by the client at the time of registering as a client for participating in the mutual fund segment of the exchange or at any time thereafter.
- 5.5 The client shall ensure continuous compliance with the requirements of the exchanges / SEBI and AMFI.
- 5.6 The client has read and understood the risks involved in investing in mutual fund schemes and other investment products. The client has read and understood the contents of the Scheme Information Document, Statement of Additional Information and Key Information Memorandum, addendum issued regarding each Mutual Fund Schemes and any other document with respect to which he chooses to subscribe/redeem. The client further agrees to abide by the terms and conditions, rules and regulations of the Mutual Fund Schemes from time to time.
- 5.7 The client shall also maintain an account with the depository participant, Sharekhan Limited and shall provide to Stock Broker a Demat Debit and Pledge Instruction if desired by the client authorising Stock Broker to debit/credit client's depository account to the extent required by the transactions conducted by the said client, provided that this requirement may be waived by Stock Broker at its discretion, by suitable modification to the terms and conditions mentioned on the web-site.
- 5.8 Stock Broker, after being satisfied that the pre-requisites have been met by the client, may register the client as a Registered User of the website [www.sharekhan.com](http://www.sharekhan.com) for availing the Services as may be offered.
- 5.9 Stock Broker shall, open an account (hereinafter referred to as "the account") in the name of the registered user in the books of Stock Broker.
- 5.10 The client shall make an advance payment as may be required towards availing the Services being availed from time to time using the web-site [www.sharekhan.com](http://www.sharekhan.com) or any other mode. If for any reason the service request is processed by Stock Broker without receiving advance payment, the Client is obliged to pay the shortfall together with interest in accordance with the stock broker's policies and procedures immediately on demand. Provided that Stock Broker may, at their discretion, at any time during the subsistence of the arrangements described in this Terms and Conditions, dispense with the requirement of advance payment mentioned in this clause, unless such advance is required as part of the Service process, in which case Stock Broker shall not proceed with rendering service on behalf of the client until such advance has been duly paid by the client. Stock Broker shall, after registration, and opening of the account, provide to the registered user, a log-in password which will enable him/her/them to avail of the Services through the said web-site. The Services shall be available to the registered user subject to the terms and conditions mentioned on the website. The client also acknowledge to indemnify Stock Broker from any loss, injury, claim or action instituted against Stock Broker arising from the misuse of the password by any party Client may use the login-in password(s) as may be already provided to the Client, if the Client is using any of the Service being offered by Stock Broker. If the Client is non-individual, any person logging in for availing the Service shall be deemed to be authorized to transact on behalf of the Client. The Stock Broker shall not be liable for any loss that may result from failure/inability in electronic connectivity of rejection of any application towards the investment product for any reason whatsoever.

#### **5.11 SUBSCRIPTION:**

- 5.11.1 Escrow Account: The client acknowledge to open, if required by the Stock Broker, an escrow account with a bank authorizing Stock Broker, by way of executing a Demat Debit and Pledge Instruction to this effect, to use the monies therein for availing of Services offered by the stock broker. The client acknowledges that all refunds, if any, shall be credited to the said account. Further, the client acknowledges that all applications subscribed to by Stock Broker on his behalf shall be based on the balances available in the said escrow account. Transfer of funds by the Client from his account with a bank to the designated account of Stock Broker may also be used for fulfilling the Services being availed by the client.
- 5.11.2 The client acknowledges that the use of the "transfer cash" module available on the web-site shall be treated as a valid request to Stock Broker to transfer cash to/from the said trading account. Client acknowledges that the funds will be transferred to Client only on Client requesting for the same through [www.sharekhan.com](http://www.sharekhan.com) or through any other mode.

- 5.11.3 All transfers to and from the escrow account or any other account shall be made in the manner and by following the procedure mentioned in the terms and conditions on the web-site. All transfers to the Stock Broker shall be made from the bank account held in the name of the Client only.
- 5.11.4 Notwithstanding, anything contained in any other arrangement between the parties hereto, the client authorises Stock Broker to release all payments due to them from the escrow account or any other account that they maintain in accordance with the terms hereof, against specific request in that behalf made in the manner and following the procedure laid down in the terms and conditions mentioned in the web-site.

#### **5.12 BENEFICIARY OWNER ACCOUNT FOR DEMAT SECURITIES**

- 5.12.1 The client has opened or acknowledges opening a valid Beneficiary Owner Account for Demat Securities (Demat Account) with the Stock Broker in its capacity as Depository participant or with any other Depository Participant as may be designated by Stock Broker.
- 5.12.2 The client further acknowledge that all securities due from/to to the client on account of any transaction executed pursuant to the Services availed through the website of Stock Broker or otherwise shall be settled only through such Demat Account as has been opened pursuant to this Terms and Conditions and that such settlement shall be valid discharge of obligation by Stock Broker.
- 5.12.3 All modifications to terms of service shall be made solely at the discretion of Stock Broker and shall be intimated to the client by a suitable modification to the terms and conditions on the web site. The registered user agrees to be bound by the modification so made to the web site.

#### **5.13 TRANSACTION PROCESSING**

- 5.13.1 The client acknowledge that all transactions requested/initiated through the web-site or otherwise will be forwarded to the concerned party in whose Investment Product, the Client is dealing with, in accordance with the terms and conditions as displayed on the website and terms and conditions of the respective Investment Product as provided by the party issuing such Investment Product.
- 5.13.2 Stock Broker will update the client with the status of transactions requests received by Stock Broker through the electronic medium. Stock Broker may also send such information/confirmation by electronic mail / SMS or through any other mode as specified in the terms and conditions mentioned on the web-site, at the address mentioned in this agreement, or any other address as may be specified expressly by the client from time to time, to Stock Broker.
- 5.13.3 The client acknowledge that if, due to any reason whatsoever his transaction request is not accepted / processed, then in such an event the said transaction shall stand rejected and Stock Broker shall not be held responsible in any manner whatsoever. The client acknowledge further that Stock Broker may reject any transactions if the same are rejected by the party issuing the Investment Product or their authorized representatives, the client acknowledge that the order shall remain declined and shall not be re-processed, in any event.
- 5.13.4 Stock Broker may, at their sole discretion, reject any transaction/ application/order/bid placed on the web-site or any other mode due to any reason including non-availability of funds.
- 5.13.5 The client acknowledges further that Stock Broker shall have the right to reject any transaction placed by the client, for any reason and at any time without notice to the client. Provided that a transaction placed by the client may be rejected by Stock Broker, in the event of impossibility, or pursuant to any of the terms mentioned in this Terms and Conditions, the circulars, rules, regulations, notifications, bye-laws or legislation of any regulatory authority, or pursuant to any terms/arrangement between the client and Stock Broker or the client and the depository participant, whether such arrangement is entered into prior to or during the subsistence of the present Terms and Conditions.
- 5.13.6 The client acknowledge that, if the transaction is not accepted on the web-site or any other mode, for any reason, Stock Broker shall have the right to treat the transaction as having lapsed. The client acknowledge that Stock Broker shall not be liable or responsible for non-acceptance of the transaction of the Client due to any link/system failure at the end of the client, Stock Broker, Exchange, or any other party.
- 5.13.7 The client acknowledge, that in the event that there is a shortfall in the account opened pursuant to this Terms and Conditions with the bank or the depository participant, Stock Broker may, at their discretion, reject the client's transaction, or reduce the transaction size than that initiated by the client, or carry out the transaction after the money is credited to the client's account.
- 5.13.8 Stock Broker shall have the right to collect any monies or part thereof, that may become payable by the client at any time during the subsistence of the registration of the client with Stock Broker.
- 5.13.9 Stock Broker may at their sole discretion permit clients to use the web-site for the routing of their transaction irrespective of the amount in balance in the account of the client.
- 5.13.10 The client acknowledge to abide with and be bound by all the Rules and terms and conditions that Stock Broker may issue from time to time through their web-site or through any other mode, and all the rules, regulations and bye-laws of the Exchange, Securities Exchange Board of India, any other regulatory body, or any other concerned person as are in force for transactions on their behalf carried out by Stock Broker.

- 5.13.11 The Client shall pay all charges to Stock Broker, for the purpose of opening and maintaining the account as aforesaid, and for obtaining the Services in addition to the fees and statutory levies as are prevailing from time to time and as they apply to the client's account with respect to the services that the stock broker renders to the client.
- 5.13.12 The Client shall act in compliance with the rules/circulars that Stock Broker may issue regarding the fees that may be charged and the operational details regarding the use of such services.
- 5.13.13 Stock Broker will update all transactions as and when there is any update available at its disposal through its web-site or any other mode.
- 5.13.14 Any and all instructions issued by an authorized representative of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the client.
- 5.14 Clearing and Settlement: Stock Broker will credit the securities due to client on account of any transaction carried out to the Demat account of the client with the designated Depository Participant or as per the terms and condition specified on the site.
- 5.15 The client acknowledge and agrees, that any issue/dispute/differences arising hereinabove shall be governed by and constructed exclusively in accordance with Indian Law and shall be subject to the jurisdiction on the Courts of Mumbai, India only.
- 5.16 Stock Broker reserves rights to restrain the client from executing any transaction in the account maintained with Sharekhan Ltd in case any disputes of any nature arise between the parties and shall have no obligation to intimate the client prior to any such blocking of account.

## **6 MAINTENANCE OF TRADING ACCOUNT**

- 6.1 The Client has requested and hereby authorizes the Stock Broker to consider his account with the Stock Broker in various exchanges on a consolidated basis along with any sum due under any account with the stock broker for the purpose of determining collection/payment of dues with respect to funds securities due to/due from Stock Broker. The client has represented that this will facilitate him in day-to-day operations in movement of funds and securities. In consideration of Stock Broker agreeing to this, the Client acknowledge that if any amount is overdue from/to him including the interest on delayed payment, the same shall be adjusted by the Stock Broker from dues owed to the Client by/from in any exchange. The Client authorizes the Stock Broker to make adjustments and/or to set off a part or whole of the securities placed as margin/collateral, and/or any credit in any account of the Client so maintained with the Stock Broker against the outstanding dues in any of the account maintained by the Client with the Stock Broker. This authorization is pursuant to the right of set off given to the stock brokers. This authorization shall be treated as standing authorization and any entry passed or adjustments done by the Stock Broker shall be binding on the Client. The client understands and confirms that this authorization forms basis for Stock Broker to give trading limits and for any other facilities offered by the Stock Broker to the Client. Merely on the ground that according to the rules, bye-laws and regulations of the exchange and SEBI, the Stock Broker is required to maintain segment wise/ exchange wise account of the Client, the Client shall not dispute such entries passed by the Stock Broker, for the purpose of giving effect to this arrangement.
- The Client expressly permits the Stock Broker to share information relating to the Client with its group/associated companies/sister concerns.
- 6.2 The Exchanges require the Stock Broker to maintain the client account for each segment separately. For this purpose Stock Broker may allocate the payment received from client and payments made to the client to any of the account of the client for any segment. Similarly the client authorizes the Stock Broker to pass such entries to adjust the debit/ credit balance of the client in trading account of one segment to the other or vice versa. The client also authorizes the Stock Broker to maintain consolidated account of the client to facilitate the day-to-day operations. Such consolidation and segregation of client account as maintained by the Stock Broker shall be binding on the client. Without affecting the generality of the aforesaid the parties hereto acknowledge as follows:
- 6.2.1 Money pay in to Stock Broker: The client acknowledges that all payments due to the Stock Broker will be made within the specified time and in the event of any delay, the Stock Broker may refuse, at their discretion, to carry out transactions on behalf of the client. The client acknowledge that alternatively, the Stock Broker may, at their sole discretion, square off such transactions or close-out the position and the costs/losses if any, thereof shall be borne solely and completely by the client. All payments made to the Stock Broker shall be from the account of client and shall not be from any third party.
- 6.2.2 Money pay out by Stock Broker: Notwithstanding anything contained in any other Terms and Conditions or arrangement, if any, between the parties hereto, the client hereby authorises the Stock Broker to release all payments due to him from the trading account maintained with the Stock Broker, against specific request in that behalf made in the manner and following the procedure laid down in the terms and conditions. For the purposes of this clause, any request made through or on the web-site or otherwise intimated shall be sufficient for the Stock Broker to execute an instruction. Any payment made to the designated bank account as per information available with the Stock Broker shall be deemed to be payment made to the client.
- 6.2.3 Securities pay in to Stock Broker: All delivery to be effected to the Stock Broker for a trade must be made within 24 hours from the execution of the sale order or 1 day before the pay-in date, whichever is earlier. Losses, if any, that may accrue in the event of default in completing the delivery on the Exchange by the Stock Broker as a result of any delay in the delivery by the client, shall be borne solely and completely by the client. Losses for the purposes of this clause shall include auction debits/penalty charges, if any incurred as a result of non-delivery of securities on the settlement date on the Exchange. No third party shares will be sold through the Stock Broker or third

party payment should be made to Stock Broker and client will be solely responsible for any violation. If the client has sold any securities in anticipation of receipt of securities from the exchange against purchase in previous settlements, such sale shall be at the sole risk as to costs and consequences thereof of the client.

6.2.4 Securities pay out by Stock Broker: The Stock Broker may directly credit the demat account of the client with the depository participant Provided that if the order placed by the client through the web-site or otherwise is for securities which are in the no-delivery period, such securities shall be credited to the trading account of the client only at the time of settlement of trades, as per the schedule of the Exchange. However, if any sum is due from the client the Stock Broker may transfer such securities to the client's demat account and an auto-pledge (without any specific instruction from the client) shall be created in favour of "Client Unpaid Securities Pledgee Account" (CUSPA). The pledge shall be released so that the securities are available as free balance to the client upon receipt of funds from the client within five trading days. Non-receipt of funds from the client shall entitle the stock broker to liquidate/dispose off the securities in the market within five trading days after the pay-out or as per Risk Management of Sharekhan.

6.2.5 Securities shortages in pay in and pay out: The client acknowledges that the member shall not be responsible for the quality of goods. The client further acknowledges that in case where the client has an open position in a particular contract and the client fails to provide his/her/its intention to take the GIVE/delivery along with records/ details of correct Goods & Service Tax (GST) registration and/or other necessary data to member IN WRITING prior to 2 WORKING days of START OF TENDER PERIOD OF CONTRACT IN WHICH CLIENT HOLDING POSITION their respective delivery intention periods, in such an eventuality, the member shall have the right to close out (square off) the client's open position on very first day of the staggered delivery intention/TENDER period of that particular contract, clients will not be informed before closing any open position to avoid compulsory delivery notice, without incurring any liability towards the client or any third party. The client shall be solely responsible for any and all losses or costs (including any incidental costs emanating from such closure of the client's open positions). Hence clients advised to close their open positions well in advance.

#### 6.2.6 **\*Delivery of /Securities/Commodities**

The client will be responsible for providing the information for the purposes of giving /taking delivery against his/her net open position along with information necessary for giving/taking delivery within stipulated period as specified by the exchanges from time to time. Member shall submit the same to the exchange.

The Exchanges at the end of stipulated period shall match the information provided by the Member against Net Open Positions of the Client and shall confirm the Delivery / Receipt to be effected against Delivery information submitted by the Member.

Client shall co-ordinate with the Member to ensure that all requirements for giving / taking delivery are fulfilled. Client shall also ensure to comply with all statutory requirements laid down regarding Sale / Purchase of goods including payment of taxes, local levies and other statutory or regulatory charges as prescribed under applicable laws from time to time.

Client shall submit documents such as Invoices, Goods and Services Tax (GST) exemption or concession forms or any other documents as required under the prevalent laws and forward the same to the Counter-party Client or any other Member of the Exchanges within stipulated period as specified by the Exchanges from time to time.

Client shall be liable to pay Goods & Service Tax (GST) under the local State Value Goods & Service Tax (GST) law or the Central Sales Tax Act, 1956, as the case may be and will be solely responsible for complying with all the provisions and regulation of the applicable Goods & Service Tax (GST) law.

The client undertakes and shall ensure to get registered with Goods & Service Tax (GST) authority or any such authorities of such states in which the delivery center is located for the specific security/commodity as notified by the exchange or other statutory and mandatory details as required by the Member with respect to any open position which is/are not closed out or concluded before the client intends to take or give physical delivery of commodity. In case the client is unable to provide any of the aforesaid invoice/forms/documents/papers, member shall not be responsible for non-delivery or delay in delivery of goods purchased or non-payment or delayed payment of goods sold.

The client acknowledges that the member shall not be responsible for the quality of goods. The client further acknowledges that in case where the client has an open position in a particular contract and the client fails to provide records/ details of Goods & Service Tax (GST) registration and/or other necessary data to member, in such an eventuality, the member shall have the right to close out (square off) the client's position without incurring any liability towards the client or any third party. The client shall be solely responsible for any and all losses or costs (including any incidental costs emanating from such closure of the client's open positions).

6.2.7 Stock Broker is entitled to consider any sum or money or security/warehouse receipt lying to the credit of the Client as margin received. However, no interest shall be paid by the stock broker to the client on such margin/credits lying in client account.

6.3 The client agrees that the stock broker may in its turn place any of the securities/ warehouse receipt placed by him/her/it as margin / settlement obligations by way of pledge or margin on behalf of the client to meet their obligation, as the Stock Broker may deem fit with the Clearing corporation or as allowed by the regulator/ Exchanges from time to time. The client authorizes the Stock Broker to do all such acts, deeds and things as may be necessary and expedient for the above purpose as permitted by the exchanges/regulators.

6.4 In case Sharekhan is pledging client securities with Clearing corporations as allowed by regulators / Exchanges from time to time, then client is giving appended consent to Sharekhan as specified by NSE (NCL) vide circular ref no. NCL / CMPT /41713 dated July 25, 2019, SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 and SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020.

- (i) the Said Securities are in existence, owned by the respective clients and are and shall be free from any charge, lien or encumbrance, whether prior or otherwise (ii) that the Said Securities will be subject to the creation of pledge in favour of or for the benefit of Clearing Corporation ("CC") and further that the Securities over which pledge may be created in future would be in existence and owned by clients at the time of creation of such pledge and that the Said Securities to be given in future as security to "CC" would likewise be unencumbered, absolute and disposable property of the clients (iii) that the Clearing Member is authorized to do all such acts and things, sign such documents and pay and incur any such costs, debts and expenses as may be necessary under this Deed of Pledge and the same shall be subject to terms and conditions as contained herein (iv) that the client agrees that the Said Securities shall be subject to the first priority and lien in favour of "CC" to secure, the client's obligations and that the rights or interests of the client with respect to the Said Securities shall be subject and subordinate to the rights, claims and interests of "CC" in respect of the Said Securities (v) that "CC" may invoke the pledge without any reference to or permission of the client and upon receipt of the Said Securities, "CC" may utilize the proceeds in meeting the client's obligations in such manner as it may deem fit and that such invocation of pledge will be final and irrevocable against the Clearing Member and the client (vi) the client shall not make any claims or demands for refund or any reimbursement in relation to the Said Securities.

#### 6.5 Adjustment of account between segments:

Notwithstanding anything contrary contained in the Rights and Obligations / Agreement, the Client hereby confirms that the client has executed / desired to execute Rights and Obligations including but not limited to agreement(s) for trading on the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and/or any other Exchange in cash, currency and derivative segment, the client requests the Stock Broker to transfer, make adjustments and/or to set off a part or whole of the securities placed as margin and/or any surplus funds/ securities in any of the client's account/(s) maintained with the Stock Broker against the outstanding dues payable if any, by the client in any of the client's account/(s) maintained with the Stock Broker. The Stock Broker will have right of lien on the credit balance in any of the client's accounts. Any entries passed by the Stock Broker in accordance with this authorization shall be binding on the client.

6.6 Authority to debit the Demat Account operating charges for the beneficiary account maintained with the Stock Broker: The Client hereby authorizes the Stock Broker to debit the trading account maintained with the Stock Broker for the demat charges payable from time to time pertaining to the demat accounts held with the Stock Broker. Since, it is inconvenient to give cheques, the Client authorises the Stock Broker to debit the trading account maintained with the Stock Broker for the demat charges payable to Sharekhan as Depository Participant for providing depository services and that any such sum debited to the client's account shall be binding on the Client.

6.7 Authority to debit the Trading Account Opening Charges: The Client authorizes the Stock Broker to debit the trading account maintained with the Stock Broker for the account Opening Charges for offline trading Account payable to the Stock Broker and that any such sum be debited to the client's account shall be binding on the Client.

6.8 Trade Tiger Access Charges (applicable for online trading only): The Client hereby agrees to the Terms and Conditions for the Trade Tiger Access charges, as aforesaid:

1. The Client understands that the Stock Broker is entitled to charge an access fee for usage of the trading software Trade Tiger provided to the Client.
2. The Client hereby authorizes the Stock Broker to debit the client's account for Rs. 3,000/- and relevant statutory charges towards Quarterly Access Charges for using Trade Tiger and acknowledges that this service would non transferable.
3. The Client understands that in case the client opts for annual subscription, the charges would be Rs. 10,000/- excluding statutory charges.
4. The Client also understands that the upcoming features in Trade Tiger may carry additional charges and that the said charges are subject to change.
5. The Client understands that the access to Trade Tiger may be deactivated due to, including without limitation, no trading activity- whether or not the client has logged into the systems, nonpayment of charges, misuse of systems, or any other reason at the sole discretion of Sharekhan.
6. The Client acknowledges that the Access charges would be adjusted against the brokerage generated in the client's account over the subscription period. The Client also acknowledges that in case brokerage generated is less than the Access Charges then the balance would not be refundable.

6.9 Mandate to issue contracts, Statement of Funds and Securities and registration form through E-mail ID: The Client understands and agrees that in compliance of the obligations contained in the said Rights and Obligations, Sharekhan sends electronic communication

including digitally signed contract notes, Statement of Accounts, bills as well as registration form and other communications (hereinafter referred to as electronic communications) on the email address provided in the KYC to the Stock Broker. The Client understands that the acceptance of the below mentioned terms and conditions through the electronic form shall be construed as a valid acceptance and shall be binding on the client. The Client hereby agrees and gives consent to accept the contract notes for transactions carried on by the client with/through the Stock Broker, in Digital form. The Client undertakes to verify the contract notes sent by the Stock Broker. If any discrepancy is observed the same shall be forthwith brought to the notice of the Stock Broker immediately. Non-verification or not accessing the contract notes on regular basis shall not be a reason for disputing the contract note at any time. Digital contract notes / any statements / circulars/ notice issued would be sent to the email id as mentioned in KYC. In case of any change in Email ID, the Client will communicate to the Stock Broker through a physical letter. The Client understands that non receipt of bounced mail intimation by the Stock Broker shall be considered as a valid delivery and the Stock Broker shall not be responsible for the consequences thereof. In case of any discrepancies if any, would be sent to the branch or to E- mail myaccount@sharekhan.com. Digital Contract Notes will also be available at URL <https://www.sharekhan.com>. In case of any announcement and notices, the client will raise the query within the time specified in the respective communication. If the client is not able to respond within the time specified, it shall be assumed that the client have taken the note of the communication and the client do not have any objection and/or query on the said communication. Feedback or objections would be raised by sending an email to myaccount@sharekhan.com or any other specified email mentioned in the communication.

- 6.10 The Client confirms that all other terms and conditions mentioned in the Rights and Obligations, including all voluntary clauses and confirmations, accepted by the Client shall continue to remain binding.

## **7 REPRESENTATIONS AND WARRANTIES**

- 7.1 The Client acknowledges that he has the required legal capacity and is authorized to enter into this Terms and Conditions and is capable of performing his obligations and undertakings. Also the client hereby warrants that the terms of the presents are not in contravention of any rights of any party with whom such client has any arrangements, at any time during and prior to the execution of this Terms and Conditions.
- 7.2 All actions required to be taken to ensure compliance of all the transactions, which the client may enter into pursuant to this Terms and Conditions with all applicable laws, shall be completed by the client prior to such transaction being entered into.
- 7.3 Any instructions given by an Authorised representative of the client to the Stock broker or to Stock Broker's representative, shall be binding on the Client.
- 7.4 The client acknowledge that he is trading for his own account and shall not act as a Authorized person of the Stock Broker without the prior written permission of the Stock Broker and without obtaining the certificate of registration from the Securities and Exchange Board of India (SEBI).
- 7.5 Though the Terms and Conditions have been divided into sections governing transactions in various segments/services, the Terms and Conditions shall be binding on the parties in its entirety. Entering into this Terms and Conditions governing transactions in multiple segments/services shall not be a reason for disputing any transaction or account of client with the Stock Broker.
- 7.6 The client warrants that he has, maintained and operates a valid account with a designated bank for execution of orders through the E-broking facilities or otherwise.
- 7.7 The client acknowledge to provide and continue to provide all details about themselves as may be required by the Stock Broker including but not restricted to PAN Number or Unique Identification Number (issued by SEBI) and states that all details and facts represented to the Stock Broker are true.
- 7.8 The client represents and warrants to the Stock Broker that all the information provided and statements made in the clients account application are true and correct and are not misleading (whether by reason of omission to state a material fact or otherwise) and the client is aware that the Stock Broker has agreed to provide the Stock Broker's service to the client on the basis inter-alia, of the statements made in client's account application.
- 7.9 The Client expressly permits the Stock Broker to share information relating to the Client with its group/associated companies/sister concerns for the purpose of updating its records and also for any other purpose.
- 7.10 The client agrees to inform Sharekhan, of change in the details mentioned in the client registration form either by submitting the application in a physical for or by requesting the change through the secured access with the client's login id and password.
- 7.11 The client acknowledges that the E-broking services may involve the services of third party service provider and may influence the nature, and quality of service which the clients avail from the stock broker. The stock broker shall not be responsible for the quality or availability of such services
- 7.12 The client assumes complete responsibility for the safe custody and usage of device used for trading though the wireless technology and losses arising there from. The client further acknowledges that he will not hold the stock broker responsible in case of improper usage of the device by any person other than himself.

- 7.13 The client warrants that all or any securities deposited by him with the Stock Broker in respect of margin requirements or otherwise, are owned by him and that the title thereof is clear and free of encumbrances.
- 7.14 The Client understands that the Exchange asserts a proprietary interest in all of the market data it furnishes, directly or through the Stock broker or otherwise. The Client understands that the Exchange does not guarantee the timeliness, sequence, accuracy or completeness of market data or any other market information, or any messages disseminated by it. Neither the Stock broker nor the Exchange shall be liable in any way for incorrect, misleading, incomplete or dated data or information and, if the Client acts on the basis of the same, he shall do so at his own risk and cost.
- 7.15 The Client shall not furnish market information provided by the Exchange to any other person or entity for consideration or otherwise and in the event the Client uses such information he shall do so at his own risk and cost.
- 7.16 The client represents that neither the client, nor any of its subsidiaries, directors or officers, is an individual or entity (a "Person"), that is, or is owned or controlled by Persons that are: (i) the target of any Sanctions (a "Sanctioned Person") or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions broadly prohibiting dealings with such government, country, or territory (a "Sanctioned Country").
- 7.17 The client represents and warrants that it, its subsidiaries, its directors and officers, are in compliance with all Sanctions and shall remain in compliance with all Sanctions during the duration of relationship with Sharekhan.
- 7.18 The Client shall not process or otherwise engage in any activity (even when such activity may be legally permitted) for, on behalf of, or for the benefit of, a sanctioned individual, entity, or organization targeted by French, European Union, or United States authorities, or other applicable sanctions regimes, notably any Subject Transactions. Sharekhan is committed to comply with all applicable laws of the jurisdictions in which it operates and does not support or participate in unlawful boycotts.
- 7.19 The Client (as well as their Controlled Perimeter) to ensure that any activity conducted involving Subject Transactions is permissible and/or subject to lawful exemptions, licenses, or authorizations. Further, Sharekhan respectfully requests that its clients take all necessary measures to ensure that the funds, products, and services provided or made available by Sharekhan are not used, directly or indirectly, regardless of the currency, in relation to Subject Transactions, even if such use is permissible, authorized or duly licensed by the relevant authorities.
- 7.20 Client shall promptly notify Sharekhan if they are not able to comply with any of the aforementioned.

## **8 FEES AND BROKERAGES, DEFAULT BY THE CLIENT, TERMINATION AND ARBITRATION, etc. TERMS OF CONSIDERATION**

- 8.1 COMMISSIONS AND BROKERAGE: All commissions and charges leviable on transactions in securities pursuant to this Terms and Conditions shall be payable as mentioned below;
- 8.2 The Client acknowledge to pay the stock broker brokerage, commission, fees, Goods and Services Tax and other taxes and transaction expenses as they exist from time to time and as they apply to the Client's account and transactions, and the services that he/she receives from the stock broker. The Stock Broker shall charge brokerage to the clients at a rate as mentioned on the web-site or otherwise and intimated and agreed upon by the client.
- 8.3 A schedule of brokerage, fees and commissions, applicable service and other taxes and other transaction expenses shall be provided by the Stock broker to the Client from time to time upon request by the Client subject to the terms and conditions on the website

### **8.4 USER FEES / OTHER CHARGES:**

- The client acknowledge that the Stock Broker may charge user fees for the use of any other service, at a rate mentioned on the web-site and intimated and as may be modified from time to time. The stock broker may charge the client on account of processing cost associated with issuance of physical contract note in case where the client has opted for electronic contract note. The Stock Broker may charge any other relevant charge in the manner intimated on the web-site or in any other manner from time to time including but not limited to Trade Commissions, Goods and Service Tax, Turnover Charges, Tax Expenses incurred, Stamp Duty, etc., as applicable.
- 8.5 The Client also acknowledge and authorizes the Stock Broker, upon receipt of intimation from the designated depository participant, to debit the trading account of the client towards depository charges payable by the client to the designated depository participant and make onward payment to the designated Depository Participant.
- 8.6 All references to the specific quantity/rate/fee mentioned in this Terms and Conditions are subject to change from time to time, as so agreed to in writing between the parties.

## **9 DEFAULT AND CONSEQUENCES THEREOF**

- 9.1 The client acknowledge that he shall be deemed to have defaulted the terms of this Terms and Conditions in circumstances including but not restricted to the following:
- 9.1.1 Any delay in payment of margins, charges or delivery in respect of this Terms and Conditions for transactions executed on behalf of the client.
- 9.1.2 Any contravention of the terms contained in this Terms and Conditions or on the web site.

- 9.1.3 Any misrepresentation or false statement or omission, or misleading information supplied by the client to the Stock Broker.
- 9.2 In the event of default under this Terms and Conditions by the client, the Stock Broker shall be entitled to any or all of the following courses of action.
  - 9.2.1 Immediate termination of this Terms and Conditions and terminations of provision of services in terms of this Terms and Conditions;
  - 9.2.2 Other remedies as may be available in terms of the law in force, at that point of time.
  - 9.2.3 Arbitration in terms of this Terms and Conditions.
  - 9.2.4 Charge of an amount that shall not exceed the actual losses incurred by the stock broker consequent to the default along with the interest at market rates.
  - 9.2.5 The client acknowledge, that without prejudice to any other remedy or right prescribed in the presents, the Stock Broker may levy various charges, statutory levies, delay pay in charges in accordance with the stock broker's policies and procedures.

In the event of a default of a Member, the Client's money shall not be utilized to meet the Member's liabilities. In such cases, the Client's positions shall be adjusted as per the provisions of the Rules, Byelaws, and Regulations of and Business Rules of "Exchange". The loss, if any, caused to the Client because of such action would be recoverable by the Client from the Member.

In the event of failure of the Client to fulfill his obligations to the Member, the Exchange, or the clearing house, the Client's position may be closed out and the money, if any, of the Client available with the Member or with any other Member or the Exchange, may be adjusted against the Client's liabilities / obligations.

The client acknowledges that the Stock Broker does not guarantee performance of any clearing house/clearing corporation to the client. The client further unconditionally acknowledges and confirms that In the event of a default of/failure of settlement guarantee by any Clearing House/Clearing Corporation, stock broker does not assure completion of settlement of any trade(s) and shall not be liable for any of the losses incurred due to such default. The obligation of Stock Broker to meet client obligations shall be, inter alia, subject to receipt of payment and/or security from the Clearing House/ Clearing Corporation.

The Client acknowledges that the Stock Broker shall not be liable for any loss on account of any margins or deposits or money or assets with a bank or clearing corporation with whom margins or deposits or money have been deposited.

## 10 SET - OFF

- 10.1 The client authorises the Stock Broker to block securities against pending order or pledge securities in favor of the Stock Broker against any of his dues, provided that this requirement may be waived by the Stock Broker, at its discretion, by suitable modification to the terms and conditions.
- 10.2 The stock broker may debit client's Trading Account towards monies, fees, charges etc. payable to Sharekhan /service provider or to any affiliates / subsidiaries of Sharekhan, in case of any facilities availed by the client through such service providers/ subsidiaries/affiliates.

**11 VERIFICATION:** Stock broker may adopt any such processes or procedures to verify the genuineness of the client and the documents submitted by the client from time to time and client acknowledge to comply with such processes and procedures. Such processes and procedures may involve appointment by stock broker an outside agency.

## 12 INVESTMENT OR ANY OTHER ADVICE

- 12.1 The client acknowledge that the Stock Broker shall not be required to provide the client with any form of legal, tax, investment or accounting related advice or advice regarding the suitability or profitability of a security or investment.
- 12.2 The client acknowledges that none of the services available on the web-site or through any literature or brochure issued by the Stock Broker shall amount to investment advice on the part of the Stock Broker.
- 12.3 The Client also acknowledges that the Stock broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from the Stock broker or any of its employees.
- 12.4 The Client acknowledge that in the event of the Stock broker or any employee or official of the Stock broker providing any information, recommendation or advice to the Client, the Client may act upon the same at the sole risk and cost of the Client, and the Stock broker shall not be liable or responsible for the same.
- 12.5 The Stock broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.
- 12.6 The Client assumes full responsibility with respect to his Decisions, Investments, and transactions.

## 13 MISCELLANEOUS

- 13.1 The singular shall include the plural where the context so admits and vice versa.
- 13.2 The masculine shall include the feminine and the neutral and vice versa.
- 13.3 The client acknowledge to abide by operational procedures laid down by Stock Broker regarding banking transactions, billing etc. and any changes made in these procedures from time to time and mentioned on the web site.
- 13.4 Words and expressions which are used in this Terms and Conditions, 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 of the Exchange & circulars issued there under. Further, provisions of this Terms and Conditions shall be subject to the Exchange Provisions, the Rules, Bye-Laws, Regulations, and other provisions of its clearing house, if any, the provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act of 1956 and the rules and regulations made there under and as amended from time to time.

#### **14 MODIFICATIONS**

14.1 All modifications to this Terms and Conditions shall be made in accordance with the SEBI / Exchange requirements and shall be intimated to the client by a suitable modification to the terms and conditions or other applicable section on the web-site or in any other manner. All modifications to the voluntary clauses shall be modified by giving notice of 15 days to the client, In the event where the client has not objected to revised terms within 15 days of receiving the notification, the same shall be binding on the client.

14.2 The client acknowledge that a modification to the information in the terms and conditions section on the web- site or any other applicable section and a display of the modification for the duration of the applicability of such modification to the circumstances of the client, shall be sufficient notice to the client, to take note of such modification.

#### **15 ASSIGNMENT:**

The client acknowledge that the stock broker may during the subsistence of these presents, assign, transfer or otherwise alienate, by executing Terms and Conditions or in any other manner, all or any of its rights and/ or obligations in accordance with the exchange or regulator's requirements terms of this Terms and Conditions to any person or entity including but not limited to its affiliates, associates or sister companies and the rights and obligations of the Stock Broker under this Terms and Conditions or any amendment or modification hereto shall vest and ensure for such assignee after the same is informed to the client pursuant to the regulatory permissions granting such transfer or alienation

#### **16 NO WAIVER:**

The failure on the part of Stock Broker from taking any action against the client for any breach or breaches of the Terms and Conditions shall not constitute a waiver by the Stock Broker of any subsequent or continuing breach thereof by the client.

#### **17 INDEMNITY**

17.1 The Stock Broker shall be indemnified by the client in case of any action initiated against the Stock Broker by any party not privy to this contract, and it shall be the duty of the client to bear out of their funds, all costs, losses and expenses which any such Stock Broker may incur or become liable to pay, by reason of any event in the course of the use of the said services of the client.

17.2 In the event of death or insolvency of the client, winding up or liquidation, or their otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, the Stock Broker may close out the transaction of the client and the client or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.

17.3 The client is aware that authentication technologies and strict securities measures are required for internet trading/ Securities trading through wireless technology through order routed system and undertake to ensure that the password of the client and/or their authorized representatives are not revealed to any third party. The client also acknowledge to indemnify the Stock Broker from any loss, injury, claim or any action instituted against the stock broker arising from the misuse of the password by any party.

17.4 The client shall indemnify and keep indemnified the Stock Broker harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, changes and/or expenses that are occasioned or may be occasioned to the Stock Broker directly or indirectly, as a result of bad delivery of shares/securities and/or as a result of fake/forged/stolen shares/securities/ transfer documents that are introduced or that may be introduced by or through the client during the course of his dealings/operations on the Exchange.

#### **18 FORCE MAJEURE:**

The Stock Broker shall not be responsible for delay or default in the performance of their obligations due to contingencies beyond their control, such as (including but not limited to) losses caused directly or indirectly by exchange or market rulings, suspension of trading, fire, flood, civil commotion, earthquake, war, strikes, failure of the systems, failure of the internet links or government / regulatory action.

#### **19 SEVERANCE:**

In the event of any one or more of the provisions contained in this Terms and Conditions becomes invalid, illegal or unenforceable in any respect under any law for the time being in force, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be prejudiced or affected thereto.

20 The Client dispenses with the requirement of sending any communication in physical form if opted for electronic mode of communication or as may be required by law. Any communication sent by the Stock Broker in electronic form to the known E-mail address or mobile number of client or through access to the web-site of Stock Broker described in this agreement shall be binding on the client.

#### **21 NOTICES:**

All notices, correspondences or communications issued under this Terms and Conditions shall be served in any one or more of the following modes of communications and such notice or communication shall be served at the ordinary place of residence and/or last

known web address / residing address and/or at the ordinary business address of the party to this Terms and Conditions such as:

- a) by hand delivery
- b) by post
- c) by registered post
- d) under certificate of posting
- e) by telegram
- f) by electronic mail or fax
- g) by affixing it on the door at the last known business or residential address.
- h) by oral communication to the party or on the last known telephone number or on the recording machine of such number.
- i) by advertising in at least one prominent daily newspaper having circulation in the area where the last known business or residential address of the party is situated.
- j) By notice posted on the notice board of the Exchange if no address is known. Any communication sent by the Stock Broker to the Client shall be deemed to have been properly delivered or served, if such communication is returned to the Stock Broker as unclaimed / refused / undelivered, if the same was sent in any one or more of the above modes of communication to the ordinary place of residence and/or last known web address / residing address and/ or at the ordinary business address of the party to this Terms and Conditions.

## **22 TERMINATION:**

- 22.1 Unless specified otherwise, both parties shall be entitled to terminate this Terms and Conditions at will and without giving any reasons to the other party but not without giving a notice in writing of not less than 30 days that shall be dispatched to the address mentioned in this Terms and Conditions. However, such cancellation or termination shall not have any effect on any transaction(s) executed prior to the date of such notice of termination and the rights and obligations in respect of such transactions shall continue to subsist in terms of this Terms and Conditions, and / or the terms and conditions as prescribed.
- 22.2 This Terms and Conditions shall become effective on the date first written above or the commencement of first transaction, whichever is earlier and shall remain in full force unless and until terminated.
- 22.3 In the event of a Governmental action or action from any regulatory authorities debaring the Stock Broker from carrying on business or rendering it impossible to transact the business or broking or E-broking, this Terms and Conditions shall stand terminated.
- 22.4 The termination of this Terms and Conditions shall not affect any rights or obligations of either party which have accrued prior to the termination or which may arise out of or in connection with acts done or omitted prior to the termination.

## **23. CONFIDENTIALITY AND PERSONAL DATA**

### **23.1 Duty of confidentiality**

You (customer / client of Sharekhan Ltd.) and we will each treat as confidential any information learned about the other in the course of our relationship, including but not limited to: (i) any information regarding you and your Authorised Persons, any Account, any Product or any Instruction or dealing with you and your Authorised Persons; (ii) any information you provide to us; (iii) the Agreement; and (iv) any contract or document between you and us (such information being "Confidential Information"). Except in accordance with Clause on Consent to Disclose, you and we will not disclose that information to any third party without the written consent of the other. This shall not be applicable to any information that is publicly available or which is required to be disclosed to any statutory or regulatory authority, by judicial process or otherwise by applicable laws or regulations.

This Clause 23.1 shall survive any termination of these Conditions. Nothing in these Conditions shall be deemed to limit the effect of applicable Laws protecting Confidential Information after the expiration of such period.

### **23.2 Consent to disclose**

- 23.2.1 We and each of our Officers and Third Party Providers are authorised, at any time and without further prior notice or consent, to disclose Confidential Information to:
- (a) any of our Officers, external auditors, insurers and reinsurers;
  - (b) any other member of the Sharekhan Limited, its Group companies and affiliates and their Officers;
  - (c) any of your Affiliates and their Officers;
  - (d) any Third Party Provider or any other person acting on our behalf in connection with our service offerings to you including betterment of services;
  - (e) any regulatory or government Authority, Stock Exchange, SEBI, Depository;
  - (f) any person in connection with our exercising rights or dealing with rights or obligations in connection with the member constituent Agreement or any contract, document, Instruction, or dealing between you and us (including any actual or potential participants or sub-participants in, assignee, novatee or transferee of, any of our rights or obligations);

- (g) any person when required to do so in accordance with any court proceeding, court order or applicable Law;
- (h) any person to whom you expressly or impliedly consent (including your Authorised Person(s));
- (l) any person under a duty of confidentiality to us; or
- (j) any person when we consider in good faith that disclosure is necessary for any purpose whatsoever in connection with the Agreement.

23.2.2 You may only disclose Confidential Information:

- (a) to your Authorised Persons and only to the extent they need that information to enable you to access and use any Account or Product; and
- (b) to any person as required by applicable Law, provided that if permitted by applicable Law, you must notify us beforehand to allow us to exercise any recourse or action we may have to protect our rights accordingly, and you shall be solely responsible for ensuring that each of your Users who receives that information keeps that information fully confidential and secure.

23.2.3 You authorise us to conduct credit inquiries, due diligence on you to obtain any reference or other information required by us to verify the validity of information provided. For this purpose, we may make disclosure of such information concerning you to any consumer creditor grantors, credit bureau, credit rating agency(CRA), credit reference agency or financial institutions including our NBFC as we, in our discretion, consider to be relevant.

23.2.4 You authorise us to disclose to any person that you are a user of any Accounts or Products for marketing, reference or other purposes. We may publicize such fact by any means or media. For this purpose, we may make disclosure of such information concerning you as we, in our discretion, consider to be relevant.

23.2.5 Subject to any applicable Law or Local Practice, we may retain your information for any time period as we deem necessary or desirable (regardless of whether any Account, any Product or the Agreement has been terminated).

23.3 Information relating to employees and other individuals

23.3.1 We may collect personal data concerning you, your Officers, your Ultimate Beneficial Owner(s) (UBOs), your Authorised Persons, your Users and other individuals in the ordinary course of our relationship with you. Failure to supply any of the personal data may result in our being unable to open or maintain an Account or provide a product or services to you, discuss any other opportunities with you or deal with other matters.

23.3.2 All personal data concerning you, your Officers, your UBOs, your Authorised Persons, your Users and other individuals (whether provided by you or any other person, and whether provided before or after the date you receive the Agreement) may be disclosed to and used by any of the persons listed in Clause 23.2.1 (Consent to disclose).

23.3.3 The purposes for which personal data may be used are:

- (a) In connection with the opening or operation of any Account that you maintain with us including but not limited to DEMAT, Trading, Holding, PMS, MTF, etc.;
- (b) in connection with the provision of any Product or any other services;
- (c) in connection with matching for whatever purpose (whether or not with a view to taking any adverse action against you, your Officers, your UBOs, your Authorised Persons or your Users) any such personal data with other data in our possession or which is available with our vendors / service providers / paid online sources;
- (d) in connection with conducting checks with any credit reference agency or other persons;
- (e) ensuring your, your Officers', your Users' and your UBOs' ongoing creditworthiness;
- (f) ensuring that you, your Officers', your Users' and your UBOs' are not debarred / suspended / expelled/prohibited/banned/ sanctioned by any statutory, regulatory or government authority;
- (g) determining the amount of your, your Officers', your Users' and your UBOs' indebtedness;
- (h) collection of amounts outstanding from you or your Officers, your Users or your UBOs;
- (i) considering, promoting, improving and furthering the provision of financial or other services or products to you or your Officers, your UBOs or your Users;
- (j) detecting or preventing money laundering, terrorist financing and other criminal activities, fraud and any purpose relating to or in connection with compliance with any SEBI, AML Laws and Policies;
- (k) enabling an actual or proposed transferee of us, or participant or sub-participant of our rights in respect of you to evaluate the transaction intended to be the subject of the assignment, transfer, participation or sub-participation;
- (l) for the purpose of due diligence in the provision of broking, depository participant and other financial or intermediary services to you (including for risk management and administrative purposes).
- (m) in order to perform analytics on the same, to enable us to serve you better and understand your needs and preferences better.

- (n) for the purpose of processing such information where it is necessary for a legitimate interest pursued by us, which might be: to provide services to you; to ensure that Your trading & demat account and / or other products/services are running smoothly.
- 23.3.4 You, your Officers, your UBOs, your Authorised Persons, your Users and other individuals have the right to have access to and correction of your or their personal data. In general, and subject to certain exemptions, you and they are entitled to:
- (a) enquire whether we hold your or their personal data;
  - (b) request access to your or their personal data within a reasonable time, at a fee which is not excessive, in a reasonable manner and in a form that is intelligible;
  - (c) request the correction of your or their personal data; and
  - (d) be given reasons if a request for access or correction is refused, and object to any such refusal.
- 23.3.5 Whenever you disclose personal data relating to your Officers, your UBOs, your Authorised Persons, your Users or other individuals to us, we shall have right to and we will presume that you have obtained from each of such respective individual their requisite consents / confirmations before sharing their any personal information or data with us and we will presume that you have ensured that:
- (a) those individuals are aware of the matters set out in this entire Clause 23 (including all sub clauses) and that they may have legal rights of access to and correction of information held about them by us; and
  - (b) wherever consent to disclose the personal information of an individual is required by Law, such consent of that individual is obtained.
- 23.4 Transfer of information to different jurisdiction
- We may transfer any of the information described in this entire Clause 23 (including all sub clauses) to any party to whom we are authorised to disclose even though such information may be stored, processed or used in jurisdictions which do not offer the same level of protection of confidential or personal information as is enjoyed in the jurisdiction applicable to you.
- 23.5 Waiver of applicable non-disclosure obligations
- To the extent that applicable non-disclosure, confidentiality, data privacy or other law imposes non-disclosure requirements on transaction and similar information required or permitted to be disclosed as contemplated herein, but permits a party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent of that party for the purposes of such law.
- 23.6 Your willingness to continue to use our services and/or go ahead and make use of our website / mobile app or any other applications of Sharekhan Limited shall be considered as your express consent and permission for the above.

**Terms and Conditions applicable for Margin Trading Facility Product of Sharekhan Ltd****Part A: Rights and Obligations - Mandatory Clauses of BSE**

Stock Broker/ Trading Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.

1. Stock Broker/ Trading Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/ Trading Member may note that BSE has the right to withdraw the permission at anytime.
2. Stock Broker/ Trading Member shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange / SEBI from time to time. Stock Broker/ Trading Member and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/ Stock Broker/ Trading Member.
3. Stock Broker/ Trading Member shall intimate all the terms and conditions, including maximum allowable exposure, specific stock exposures etc., as well as the rights and obligations to the client desirous of availing MTF.
4. Stock Broker/ Trading Member may, at its sole and absolute discretion, increase the limit of initial and/or maintenance margin, from time to time. The Client shall abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall within such time as the Stock Broker/ Trading Member may permit. It may however, be noted that the initial/ maintenance margins shall never be lower than that prescribed by Stock Exchange/ SEBI.
5. Stock Broker/ Trading Member shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/ SEBI.
6. Stock Broker/ Trading Member shall liquidate the securities and other collateral, if the client fails to meet the margin call to comply with the margin requirement as specified by Stock Exchange/ SEBI/ Stock Broker/ Trading Member. In this regard, Stock Broker/ Trading Member shall also list down situations/ conditions in the which the securities may be liquidated (Stock Broker/ Trading Member to list down situations/ conditions which are included in the subsequent part of the T&C below).
7. Stock Broker/ Trading Member shall not use the funds of one client to provide MTF to another client, even if the same is authorized by the first client.
8. The stocks deposited as collateral with the Stock Broker/ Trading Member for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount
9. IPF shall not be available for transactions done on the Stock Exchange, through MTF, in case of any losses suffered in connection with the MTF availed by the client.

## **Part B : Rights and Obligations - Mandatory Clauses of NSE**

### **CLIENT RIGHTS**

1. Client shall receive all communications in a mode mutually agreed between the broker and the client regarding confirmation of orders/trades, margin calls, decision to liquidate the position / security.
2. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the Stock Broker to the Exchange towards securities after paying all dues.
3. Client has a right to change the securities collateral offered for Margin Trading Facility at any time so long as the securities so offered are approved for margin trading facility.
4. Client may close / terminate the Margin Trading Account at any time after paying the dues.

### **CLIENT OBLIGATIONS**

1. Client shall, in writing in his own hand or in any irrefutable electronic method, agree to avail of Margin Trading Facility in accordance with the terms and conditions of Margin Trading Facility offered by the broker, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/security/position.
2. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the broker failing which the transaction will be treated under the normal trading facility
3. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.
4. On receipt of 'margin call', the client shall make good such deficiency in the amount of margin placed with the Stock Broker within such time as the Stock Broker may specify.
5. By agreeing to avail Margin Trading Facility with the broker, client is deemed to have authorized the broker to retain and/or pledge the securities provided as collateral or purchased under the Margin Trading Facility till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.
6. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within the timelines as may be agreed between the client and broker.

### **STOCK BROKER RIGHTS**

1. Stock Broker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.
2. Stock broker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stock broker may make amendments there to at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the Margin Trading Facility.
3. The broker has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the Margin Trading Facility.
4. The broker may liquidate the securities if the client fails to meet the margin call made by the broker as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

### **STOCK BROKER OBLIGATIONS**

1. Stock broker shall agree with the client the terms and condition before extending Margin Trading Facility to such client. However, for clients who already have existing trading relationship and want to avail of Margin Trading Facility, stock broker may take consent in writing in his own hand or in any irrefutable electronic method after stock broker has communicated the terms and conditions of Margin Trading Facility to such existing clients.
2. The terms and conditions of Margin Trading Facility shall be identified separately, in a distinct section if given as a part of account opening agreement.
3. The mode of communication of order confirmation, margin calls or liquidation of position/security shall be as agreed between the broker and the client and shall be in writing in his own hand or in any irrefutable electronic method. Stock broker shall prescribe and communicate its margin policies on haircuts/ VAR margins subject to minimum requirements specified by SEBI and exchanges from time to time.

4. The Stock Broker shall monitor and review on a continuous basis the client's positions with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.
5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.
6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.
7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
8. The Stock Broker shall make a 'margin call' requiring the client to place such margin; any such call shall clearly indicate the additional/deficient margin to be made good.
9. Time period for liquidation of position/security shall be in accordance declared policy of the broker as applicable to all MTF clients consistently. However, the same should not be later than 5 working (trading) days from the day of 'margin call'. If securities are liquidated, the contract note issued for such margin call related transactions shall carry an asterisk or identifier that the transaction has arisen out of margin call.
10. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
11. Margin Trading Accounts where there were no transactions for 90 days shall be settled immediately.
12. The stocks deposited as collateral with the stock broker for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount;
13. Stock Broker shall close/terminate the account of the client forthwith upon receipt of such request from the client subject to the condition that the client has paid dues under Margin Trading Facility.

**TERMINATION OF RELATIONSHIP:**

1. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the broker, in the event of client committing any breach of any terms or conditions therein or at anytime after due intimation to client allowing such time to liquidate the MTF position as per the agreed liquidation terms without assigning any reason. Similarly, client may opt to terminate the margin trading facility in the event of broker committing any breach of any terms or conditions therein or for any other reason.
3. In the event of termination of this arrangement, the client shall forthwith settle the dues of the Stock Broker. The Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stock Broker to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Stock Broker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stock Broker, the Stock Broker shall release the balance amount to the client.
5. If the client opts to terminate the margin trading facility, broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

## Part C: Terms and Conditions of Sharekhan Limited for Margin Trading Facility

This document outlines Risk management Policies framed and followed by Sharekhan Limited ("Sharekhan") with respect to dealing with Clients for Margin Trading Facility ("MTF") on Securities and Exchange Board of India (SEBI) and Stock Exchanges. The policy as stated herein below are subject to change from time to time at the sole discretion of Sharekhan, depending upon regulatory requirements /changes its risk management framework, other market conditions, etc. The said policies and any revision/update in the same from time to time is/will be available in the Clients web login provided by Sharekhan on its website. The Client can access and refer to such policies by using user id and password provided by Sharekhan. Further, Client shall at all time be responsible for changes due to regulatory requirement by SEBI / Stock Exchanges irrespective of relevant changes are incorporated in Terms and conditions of Sharekhan.

### PRODUCT FEATURES:

Margin Trading Facility, hereinafter referred to as "MARGIN TRADING or "MTF", is a facility offered by Sharekhan which allows the Client to take positions by providing prescribed margin and the balance amount is funded by Sharekhan to meet the pay-in obligation of the Client. Client can later take delivery either by making the necessary funds settlement or square up such positions. The Client agrees that any fresh position under MTF shall be allowed to be created only when Client has provided Margin required for such position in such form as specified by Sharekhan. The balance obligation would be funded by Sharekhan and will be paid to the Stock Exchanges for meeting the Client's pay-in obligation.

#### 1. Eligibility for Availing of Margin Trading facility

All registered trading Clients of Sharekhan shall be eligible to avail the MTF subject to the applicable Rules, regulations and circulars from SEBI / Exchanges and acceptance of terms and conditions of the said facility.

#### 2. Consent of the Client

Clients desirous of availing the MTF shall, in writing in their own hand or in any irrefutable electronic method, agree to avail of MTF in accordance with the terms and conditions of MTF. Once the facility is activated for margin trading, all the orders placed under the margin trading shall be marked under Margin trading. In case the Client has opted for "Auto funding" facility wherein all the net deliverable positions of approved stocks across Exchanges shall be marked under MTF subject to sufficient availability of margin.

#### 3. Securities eligible for margin trading

Equity Shares that are classified as 'Group I security' as per SEBI Master circular No. SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016, shall be eligible for MTF.

The Client understands that SEBI/Stock Exchanges have prescribed securities which are eligible to be offered in MTF. Hence, MTF shall not be offered in all the securities traded on Stock Exchanges. The Client agrees that Sharekhan shall have the discretion to select securities that will be enabled for trading under the facility as per its internal risk management policy and the number of stocks enabled for trading under MTF which can be smaller than the number of stocks allowed by SEBI/Stock Exchanges.

#### 4. Margin Requirements and Pledge / Re-pledge process

In order to avail margin trading facility, margin payable by the Client to Sharekhan shall be in the form of cash, cash equivalent or pledge of equity shares, with appropriate hair cut as specified by SEBI/Stock Exchanges from time to time.

Sharekhan may at its sole and absolute discretion may prescribe higher margin requirement than prescribed by SEBI/ Stock Exchanges for collection from the Client. Further, Sharekhan may also from time to time at its sole discretion charge higher rate of hair cut than prescribed by SEBI/Stock Exchanges on the securities provided as collaterals by the Client. If no sufficient margin available in the Client's MTF account, then trade will not be considered at all under MTF or will be considered only to the extent of available margin.

In case of increase in the value of Collaterals, further exposure may be granted to the Client subject to applicable haircuts and in lines with the Risk Management policy of the company. However, no such exposure shall be permitted on the increased value of funded stocks.

As per the SEBI circular on margin requirement, Sharekhan can accept margin through Pledge process in the depository system for all funding under MTF i.e Funded stocks as well as Collateral provided against funded stocks, shall also required to be Pledged in favour of Sharekhan Ltd.

In order to comply with above requirement, Sharekhan will be transferring funded stocks on Trade day (T) + 1 day (post receiving payout from the Exchange) to mapped demat account of the client with Sharekhan. Client has to provide pledge confirmation for all funded stocks through the OTP authentication mechanism till 12.00 pm (Noon) on T + 1 day or within the timeline as prescribed by Sharekhan from time to time.

In case, client fails to confirm the pledge within the above timeline then Sharekhan will be transferring debit of MTF ledger to the extent of non- confirmation of pledge request to Broking ledger of client. The stocks received thereafter in payout will be transferred to respective client's demat account followed by creation of an auto-pledge (i.e., without any specific instruction from the client) with the reason "unpaid", in favour of a separate account titled – "client unpaid securities pledgee account (CUSPA) account (in case of nonpayment) . In case client does not clear debit balance in broking ledger within the prescribed timeline then Sharekhan reserves rights to square off as per Risk management framework of Sharekhan.

Similarly, collateral stocks given by client against funded stocks shall also required to be pledged in favour of Sharekhan in advance before availing funding under MTF or as and when margin is given in the form of collateral by clients against open funded stocks.

Further, in case of payout shortage of funded stocks received from Exchange on T+ 1 day, funding under MTF will be reversed from MTF ledger and necessary entry will be passed in Broking ledger of client. The stocks received thereafter in payout through auction mechanism will be transferred to client's demat account followed by creation of an auto-pledge (i.e. without any specific instruction from the client) with the reason "unpaid", in favour of a separate account titled Client Unpaid Securities Pledgee Account (CUSPA) for non-payment. In case client does not clear Debit balance of broking ledger within the prescribed timeline, then Sharekhan reserves rights to square off as per Risk management framework of Sharekhan.

Sharekhan shall reserves rights to allow pledging of only selected securities at its own discretion. The trade limits on pledged collateral securities shall be given after applying appropriate hair- cut. Sharekhan shall not be responsible for delay if any, in pledging or un-pledging of client securities due to technical or any other issues at the depository end (NSDL / CDSL) as well as at Sharekhan end. Client shall ensure that correct Email and Mobile number is updated with Sharekhan at all the times so that, client can receive link and OTP for creation of pledge provided by depositories.

Sharekhan shall reserves rights to re-pledge the securities to the Clearing Corporations as prescribed by Regulator / Exchanges from time to time. In case the client defaults Sharekhan and/or the Clearing Corporations shall be entitled to invoke securities pledged by the client.

5. Margin call and Liquidation of securities by the broker in case of default by the Client.

The margin requirement of Client may be changed due to factors such as market volatility, negative news, risk management policy of Sharekhan, etc. The margin calls will be made to the Client in case margin short fall exceeds margin required for continues period of 10 trading days as per RMS policy or margin shortfall as per SEBI / Stock Exchange prescribed margin whichever is earlier. The margin calls will be promptly made to the Client through any one or more means or methods such as by displaying in the Client's login or any other applicable mode or manner.

The Client shall monitor margin shortfall as required from time to time, and whether or not any margin call is made or such other separate communication to that effect is sent by Sharekhan to the Client and /or whether or not such communication is received by the Client to avoid any liquidation.

Sharekhan may sell the securities or liquidate the existing position of a Client in full / partial if the available margin falls short of minimum prescribed margin as specified by SEBI / Stock Exchanges / Sharekhan. In case of any shortfall in the margin or debit remains even after liquidating the open position, or liquidating the collaterals provided by Client, Sharekhan may liquidate the shares lying in the Clients demat account or its beneficiary account to recover the outstanding dues.

The securities may be liquidated even in case the Client's deposit in the margin account (after adjustment for mark to market losses) falls below such determined percentage of the latest market value of the securities, in the interregnum between making of the margin call and receipt of payment from the Client, as determined by the Risk Management policy of Sharekhan and , prevailing market conditions or such other factors requiring immediate action.

SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The Client agrees that if specific stock given by the Client towards collateral moves out of the eligible list of securities, then the limit given against such stock shall be withdrawn by Sharekhan immediately. In view of the same, MTF open positions of the Client may get squared off if sufficient additional margin is not replenished by the Client. Client agrees that Sharekhan reserves the right to decide the securities which it may accept as margin from Clients.

The Client agrees that Sharekhan may at its sole discretion, change the margin requirement on the transactions, in which the Client has taken or proposes to take positions depending on its own risk mitigation measures and without intimating or consulting the Client. Due to increased volatility in the prices, the margin requirement may be increased and in such event the Client undertakes to provide additional funds/securities to continue with the open position. If such Margin requirement is not met, the position may be squared off by Sharekhan

due to insufficient Margin. The Client undertakes to maintain sufficient margin to safeguard the open position from being squared off. Any and all losses (actual or notional), financial charges, damages on account of such liquidation shall be binding and borne by the Client only.

Notwithstanding the fact that Sharekhan may have prescribed higher margin requirement, if the margin available in the Client's accounts is sufficient to meet the margin requirement prescribed by SEBI / Stock Exchanges for collecting from the Client, then Sharekhan, at its sole and absolute discretion, may allow the Client to take further position and / or continue with the existing position of the Client as per SEBI / Stock Exchanges prescribed margin requirement.

6. Other Terms and Conditions:

- a) The Client agrees that under the Facility, Margin shall be blocked at the time of order placement after taking into account the limit price. For market orders, margin shall be blocked considering the order price as the last traded price of the security. In the event the actual trade execution takes place at a price different from the price at which the Margin was blocked, the required Margin would then be re-calculated and the limits would be blocked at the actual traded Price. In case of order modification also, the required Margin shall be re-calculated and excess margin, if any, shall be released or additional margin needed, if any, will be blocked. In case the available margin is insufficient, then the order modification request would get rejected.
- b) The orders will be allowed only if the order prices are within the daily price range decided by the Exchange and within the daily price range as decided by Sharekhan, if any, from time to time. If the order price is not within the above price range then such fresh order(s) would be rejected.
- c) The Client agrees and confirms that Sharekhan may at its discretion pass necessary journal entries for transferring balances available in the Client's broking ledger to the MTF ledger and vice versa.
- c) The Client understands that the positions will be permitted to be allowed/continued upon fulfillment of the necessary margin requirements as specified by Sharekhan for the particular scrip from time to time. The Client agrees that though presently there is no maximum time limit prescribed by Sharekhan for keeping the positions open, however, Sharekhan reserves the right at its discretion to stipulate a maximum time within which Client will have to take the delivery thereof.
- d) The Client agrees that there can be a short delivery of securities from the Exchange. For such transactions, the Exchange would either give delivery of shares through market auction or shall closeout the buy transactions as per the Exchange Regulations. All costs and consequences, if any, arising out of such auction or close out shall be fully borne by the Client and Sharekhan would not be held responsible for any such short delivery received by the Client and the consequential impact thereof.
- e) The Client agrees that Sharekhan may at its discretion, in accordance with its risk management policy, disable trading in certain securities in MTF and square off all open positions in such scrip which are not converted to delivery irrespective of margin availability. Client agrees that Sharekhan cannot be held liable for any losses arising out of such disablement or squaring off of such security.
- f) Sharekhan shall calculate interest on the MTF facility balance at the end of each day upto 18% per annum (compounded monthly), on daily outstanding MTF facility balance. In case there is an upward revision in the rate of interest Sharekhan may communicate the revised rate of interest to its Clients. The Client agrees and undertakes to pay interest thereafter at such rate as mentioned in the communication sent by Sharekhan. Deduction of TDS on interest paid / payable (if applicable) is responsibility of Client. On intimation Sharekhan shall provide due credit to Client ledger for TDS on interest paid by Client.
- g) The Client understands that under MTF, Client would not be able to take further positions and/or existing positions may be squared off by Sharekhan at its discretion on occurrence of any of the following events :
  - i) If at any point of time total exposure across all securities of all the Clients of Sharekhan taken together under this facility exceeds the SEBI / Stock Exchange prescribed maximum allowable exposure limit specified for a stock broker. Client agrees that Sharekhan may set this limit at its discretion which can be lower than the limits prescribed by SEBI/Stock Exchanges as part of its risk management process.
  - ii) If the Client position exceeds or is about to exceed the maximum allowable exposure for a single Client. Client understands that SEBI/Stock Exchanges has prescribed a maximum limit for allowing exposure to a single Client. Client agrees that Sharekhan may set this single Client exposure limit at its discretion which can be lower than the limits prescribed by SEBI/Stock Exchanges as part of its risk management process.

- iii) If the total exposure in a particular security of all the Clients of Sharekhan taken together under this facility reaches the maximum allowable limit for that stock as per discretion of Sharekhan.
  - iv) If the exposure in a particular security by a single Client under this facility reaches the maximum allowable limit for that security for a single Client as per discretion of Sharekhan.
  - v) If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF.
  - vi) Any other circumstances due to change in regulatory requirements from time to time or risk management process due to changing market conditions.
  - vii) In the event of death or insolvency of the Client or the Client otherwise becoming incapable of receiving and paying for or delivering or transferring. Further, any action to liquidate the securities shall be binding upon the heirs, successor, and representative of Clients.
- h) The Client understands that Client is required to disclose whether the Client is a promoter or forming part of the promoter group of the stock in which Client has taken MTF position or stock which is given as collateral at the time of taking position under MTF. If no communication received from Client at the time of order placement, then Sharekhan shall presume that Client is not promoter or forming part of the promoter group and accordingly, while reporting MTF details to Exchanges, Sharekhan will be reporting that Client as non promoter.
- i) The Client further declares and confirm that all the powers vested in favour of Sharekhan under the Demat Debit and Pledge Instruction, granted by the Client with respect to broking account shall be applicable for the MTF facility and Sharekhan shall be authorized to exercise all the powers as prescribed thereunder in order to protect its rights/interest under the MTF facility.
- j) The Client confirms that the Client is aware that any changes in the terms and conditions shall be posted on the website of the company from time to time and that it shall be the duty of the Client to go through the website and update himself of any changes therein. The continued use of the MTF by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered terms and conditions.

The Client agrees and understands that the Client shall, at all times, be responsible for the Client's investment decisions and/or orders placed, or applications preferred by the Client, either electronically or otherwise. Sharekhan shall not be deemed to have received any electronically transmitted order or application until Sharekhan has confirmed the receipt of such an order or application. The Client further understands that trading through our website or other trading platforms provided by Sharekhan 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. The Client understands and agrees that although these problems may be temporary in nature, in case when the Client has outstanding open positions or unexecuted orders, these represent a risk because of the Client's obligations to settle all executed transactions. The Client understands that placing an order with Sharekhan, either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. The Client shall not hold, nor seek to hold, Sharekhan and/or any of its officers, directors, employees, agents, subsidiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client due to exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the Internet, unauthorised access, theft, or any problem, technological or otherwise, or other condition beyond the control of Sharekhan that might prevent the Client from entering an order or Sharekhan, from executing an order. Accordingly, Client shall not raise any dispute with Sharekhan due to above mentioned circumstances and Sharekhan shall not be liable to client for any loss or damage which may be caused to the Client as a result.

- k) Repayment on demand: Notwithstanding anything contained herein, any amount funded under MTF shall be repayable on demand at the sole discretion of Sharekhan. The Client undertakes to repay the MTF balance forthwith on demand by Sharekhan.

## **7 Deactivation of the Margin Trading facility:**

After the receipt of the consent from the Client, MTF facility shall remain activated for the said Client account till the same is deactivated by the Client by intimating Sharekhan of his unwillingness to continue with the same. Intimation may be communicated either by email through the registered email id or by a letter in writing addressed to Sharekhan. The MTF facility will be deactivated post settling all dues by the Client pertaining to positions under MTF.

## 8 ENFORCEMENT OF SECURITY:

If Client has failed to perform and/or failed to fulfill any of its engagements, commitments, operations, obligations or liabilities as a Client of Sharekhan including for any sums being due by him to Sharekhan arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by it or in terms of regulations, laws, rules governing Sharekhan or the Client in this behalf, then the Client agrees that Sharekhan without giving any notice to the Client except through the margin call process as mentioned in these terms in relevant sections, shall be empowered/entitled to invoke pledge, sell, dispose of or otherwise effect any transfer of any or all of the Margin Securities in such manner and subject to such terms and conditions as it may deem fit and that the money realized, if any, from such sale/disposal/transfer subject to dues payable to Sharekhan for such sale/ disposal/or other transfer shall be utilized/disbursed by Sharekhan in such manner and subject to terms and conditions as it may deem fit. Further, the Client shall do all such things, deeds, acts and execute all such documents as are necessary to enable Sharekhan to effect such sale/disposal/ transfer. All decisions by Sharekhan in respect of the obligations or liabilities or commitments of the Client and the amount claimed in respect thereof shall be binding on the Client. The Client agrees that Sharekhan shall not be under any liability whatsoever to the Client or any other person for any loss, damage, expenses, costs etc, either actual or notional, consequent to such sale/disposal/ transfer.

If the total amounts realized from such sale/disposal/transfer is insufficient to fulfill the Client's engagements, commitments, operations, obligations or liabilities in entirety, the Client shall, forthwith and without demur, upon being requested by Sharekhan, furnish the balance amount together with interest at such rate as decided by Sharekhan and for costs and expenses from time to time.

The Margin Securities shall be at the disposal of Sharekhan and remain available in respect of the obligations, liabilities or commitments of the Client and may be utilized with the discretion of Sharekhan. The client understands and agrees that Sharekhan shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered FAQs.

Sharekhan shall have at right at its sole and absolute discretion to amend / change / revise any of the above T&C and the same shall be binding on the Client forthwith.

The terms and conditions of your Demat and Trading account will be updated periodically in compliance of the regulatory guidelines. The updated terms and conditions will be published on our official website which will be binding on the account holder. It will be the responsibility of the account holder to regularly review the website for any amendments / changes and the information on it. Continued use of the Demat / trading account after any such updates constitutes acceptance of the new terms and conditions. We reserve our rights to alter / amend the information available on the website including the present terms and conditions.

Any issues or queries regarding any changes made in our terms and conditions, you may contact our customer service at email ID : [myaccount@sharekhan.com](mailto:myaccount@sharekhan.com).

I/We confirm having read and understood the above Terms and Conditions and agree to be bound these Terms and Conditions.

**RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT AS  
PRESCRIBED BY SEBI AND DEPOSITORIES**

**General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.
3. The DP shall not directly/indirectly compel the clients to execute Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute DDPI.

**Beneficial Owner information**

4. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
5. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

**Fees/Charges/Tariff**

6. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"
7. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
8. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

**Dematerialization**

9. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

**Separate Accounts**

10. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
11. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

**Transfer of Securities**

12. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
13. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

**Statement of account**

14. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
15. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such Bos and shall resume sending the transaction statement as and when there is a transaction in the account.
16. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
17. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

**Manner of Closure of Demat account**

18. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
19. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

**Default in payment of charges**

20. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
21. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

**Liability of the Depository**

22. As per Section 16 of Depositories Act, 1996,
  1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
  2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

**Freezing/ Defreezing of accounts**

23. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

24. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

**Redressal of Investor grievance**

25. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

**Authorized representative**

26. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

**Law and Jurisdiction**

27. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
28. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
29. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
30. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye laws and Regulations and circulars/notices issued there under by the depository and /or SEBI
31. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
32. 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 Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

## Policy on Handling of My Good Till Date Orders

### Introduction

MYGTD is a validity which allows user to place order by setting future date, Order will remain active in system till the selected date. So if order didn't get's executed system will push order automatically on next trading day on behalf of user once market gets opened.

### Scope

The policy is applicable to Broking clients of Sharekhan Limited.

### Eligibility

The MYGTD feature is available to all users who have a valid and active trading account for Equity and Derivative segment.

Users must comply with the terms and conditions set forth by the trading platform and the regulatory authorities governing equities and derivatives trading.

## 1 My Good Till Date Orders

### 1.1 Order Validity

The MYGTD order will remain and be carried forward in the system over a period of time until:

- The order is fully executed; or
- The order is withdrawn or cancelled; or
- The order is automatically and permanently cancelled as provided in clauses below; or
- The expiry of the order or the validity period of 180 days, whichever is earlier.

### 1.2. Order Expiry and Validity

- The MYGTD order expiry date is mandatory and must be submitted with the order entry.
- The number of valid days for the MYGTD order depends on expiry date or on execution/cancellation/system rejection/ margin or price changes and other operational or market risks. The maximum validity period of an order is:
  - 180 days from the date of placing the order; or
  - Expiry date of an order; whichever is earlier.

### 1.3 Automatic Cancellation of Orders

The MYGTD order will be cancelled automatically and permanently when any of the following events occur:

- a) The order value of the MYGTD order exceeds the available trading limit when the order is released to the Exchange.
- b) Trading limit or balance is insufficient for the MYGTD order at the point of release to the Exchange.
- c) The specific counter in relation to the MYGTD order is suspended from trading or due to the impact of corporate action.
- d) The price of the MYGTD order is outside the range of price limit.
- e) At the end of the last business day upon the expiry date.

### 1.4 Client Responsibilities

The MYGTD order will not be checked and rejected by the system for any Corporate Actions (e.g., Capital Reduction, Capital Restructuring, Right Issue, Bonus, Split etc.) announced during the validity period of the MYGTD order. It is the duty and responsibility of the Client to monitor Corporate Actions for their MYGTD order and cancel or amend the order if required, as Corporate Actions normally involve change of price and/or quantity on ex-date. The client may or may not receive a communication regarding the forthcoming corporate action on their registered mobile number two days prior to the ex- date. Sharekhan will make reasonable efforts to inform the client about the corporate action; however, such communication is subject to vendor dependencies, including but not limited to data provision, SMS delivery, network coverage, system development, or maintenance issues.

It is the sole responsibility of the client to monitor corporate actions and to cancel or modify their MYGTD orders as necessary. Sharekhan shall not be liable or held responsible for any failure to provide such notifications or any consequences arising there from.

The MYGTD order requires cash/ (Limit) up front, and the Client must ensure that there is sufficient cash (Limit).

## **2. Eligibility**

### **2.1 Active Account Requirement**

The MYGTD feature is available to all users who have a valid and active trading account for the Equity and Derivative segment.

## **3. MYGTD Order Placement**

### **3.1 Order Placement Interface**

Users can place MYGTD orders for Equity and Derivatives using the trading platform's designated order placement interface.

### **3.2 Order Details**

The MYGTD order should specify the desired equity stock, quantity, and price, which must be within a valid price range.

### **3.3 Bracket Orders**

Users can place bracket orders within the MYGTD expiration period by specifying the book profit price and stop loss price. Upon triggering either the book profit or stop loss, the other will be cancelled by the trading system automatically.

### **3.4 Accuracy of Order Details**

Users are responsible for ensuring the accuracy and completeness of the order details, including the MYGTD expiration date.

## **4. Expiration Date**

### **4.1 Validity Period**

The expiration date specified for a MYGTD order should be within the validity period of 180 days from the date of placing the order.

### **4.2 Valid Expiration Date**

Users cannot select a past date or an invalid date as the expiration date for a MYGTD order.

### **4.3 Automatic Cancellation**

The trading platform will enforce the automatic cancellation or rejection of MYGTD orders that have reached or exceeded their expiration date.

## **5. Order Execution**

### **5.1 Market Conditions**

MYGTD orders are subject to market conditions and the availability of the specified stock at the desired price.

### **5.2 Immediate Execution**

If market conditions allow, a MYGTD order may be executed immediately upon placement, even if the expiration date is set to the current or a future date.

### **5.3 Market Factors**

Users understand and acknowledge that the execution of MYGTD orders depends on various market factors and cannot be guaranteed.

## **6. Order Management**

### **6.1 Order Management Interface**

Users can view, modify, or cancel their MYGTD orders before the expiration date through the trading platform's designated order management interface.

### **6.2 Modifications**

Modifications to MYGTD orders may include changes to quantity, price, or expiration date, subject to the trading platform's rules and limitations and other rules specified above.

### **6.3 Responsibility for Modifications**

Users are responsible for ensuring the accuracy and completeness of any modifications made to their MYGTD orders.

## **7. Automatic Cancellation**

### **7.1 Expired Orders**

MYGTD orders that have reached or exceeded their expiration date will be automatically cancelled or rejected by Sharekhan Limited.

## **7.2 Tracking Cancellations**

Users need to track all automatic cancellations or rejections of expired MYGTD orders through Sharekhan Limited.

## **8. Exchange Options**

Sharekhan shall provide an option of the Exchanges in which the users would be permitted to place MYGTD orders under this MYGTD facility. Sharekhan shall have the discretion to withdraw the facility from any Exchange as well as provide the facility on any additional Exchange at any time at its discretion.

## **9. Account Deactivation**

In case of any regulatory reason, if a user's trading account is deactivated/freeze, the MYGTD transactions will not be executed.

## **10. Order Validation**

Before revalidating the order for the next trading day, the system will check for circuit limits and validate orders only within the circuit limits.

### **Oversight and review of the policy**

This policy on handling of My Good Till Date Orders will be reviewed as and when required in accordance with regulatory / non regulatory requirements.

## 1. **VISION**

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

## 2. **MISSION**

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

## 3. **Services provided to Investors by stockbrokers include**

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

## 4. **Rights of Investors**

- I. Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself (including website providing mandatory information).
- II. Receive complete information about the risks, obligations, and costs of any investment before investing.
- III. Receive a copy of all completed account forms and rights & obligation document.
- IV. Receive a copy of 'Most Important Terms & Conditions' (MITC).
- V. Receive account statements that are accurate and understandable.
- VI. Understand the terms and conditions of transactions you undertake.
- VII. Access your funds in a prescribed manner and receive information about any restrictions or limitations on access.
- VIII. Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties in form of tariff sheet.
- IX. Discuss your grievances with compliance officer / compliance team / dedicated grievance redressal team of the firm and receive prompt attention to and fair consideration of your concerns.
- X. Close your zero balance accounts online with minimal documentation
- XI. Get the copies of all policies (including Most Important Terms and Conditions) of the broker related to dealings of your account
- XII. Not be discriminated against in terms of services offered to equivalent clients
- XIII. Get only those advertisement materials from the broker which adhere to Code of Advertisement norms in place
- XIV. In case of broker defaults, be compensated from the Exchange Investor Protection Fund as per the norms in place
- XV. Trade in derivatives after submission of relevant financial documents to the broker subject to brokers' adequate due diligence.
- XVI. Get warnings on the trading systems while placing orders in securities where surveillance measures are in place
- XVII. Get access to products and services in a suitable manner even if differently abled
- XVIII. Get access to educational materials of the MIIs and brokers
- XIX. Get access to all the exchanges of a particular segment you wish to deal with unless opted out specifically as per Broker norms
- XX. Deal with one or more stockbrokers of your choice without any compulsion of minimum business
- XXI. Have access to the escalation matrix for communication with the broker
- XXII. Not be bound by any clause prescribed by the Brokers which are contravening the Regulatory provisions.

## 5. Various activities of Stock Brokers with timelines

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

## 6. DOs and DON'Ts for Investors

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

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

## 7. Grievance Redressal Mechanism

1	Investor complaint/Grievances	<p>Investor can lodge complaint/grievance against stock broker in the following ways:</p> <p><b><u>Mode of filing the complaint with stock broker</u></b></p> <p>Investor can approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 21 days of the receipt of the grievance</p> <p><b><u>Mode of filing the complaint with stock exchanges</u></b></p> <p>i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI) (<a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a>)</p> <p><b><u>Two level review for complaint/grievance against stock broker:</u></b></p> <ul style="list-style-type: none"> <li>• First review done by Designated body/Exchange</li> <li>• Second review done by SEBI</li> </ul> <p>ii. Emails to designated email IDs of Exchange</p>
2	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	<p>If the Investor is not satisfied with the resolution provided by the Market Participants, then the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through online conciliation or arbitration.</p>
3	Steps to be followed in ODR for Review, Conciliation and Arbitration	<ol style="list-style-type: none"> <li>1. Investor to approach Market Participant for redressal of complaint</li> <li>2. If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options:             <ol style="list-style-type: none"> <li>i. May escalate the complaint on SEBI SCORES portal.</li> <li>ii. May also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.</li> </ol> </li> <li>3. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavor to resolve the matter between the Market Participant and investor within 21 days.</li> <li>4. If the matter could not be amicably resolved, then the matter shall be referred for conciliation.</li> <li>5. During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator with consent of the parties to dispute.</li> <li>6. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.</li> <li>7. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days with consent of the parties to dispute.</li> </ol>

## 8. **Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM)**

### **Default of TM/CM**

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

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

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

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

**Format for Investor Complaints Data to be displayed by Stock Brokers on their respective websites****Data for every month ending**

S N	Received from	Carried forward from previous Month	Received during the Month	Total Pending	Resolved*	Pending at the end of the month**		Average Resolution time^ (in days)
						Pending for less than 3 months	Pending for more than 3 months	
1	2	3	4	5	6	7		8
1	Directly from Investors							
2	SEBI (SCORES 2.0)							
3	Stock Exchanges							
4	Other Sources (if any)							
5	Grand Total							

**Trend of monthly disposal of complaints**

SN	Month	Carried forward from previous Month	Received	Resolved*	Pending**
1	2	3	4	5	6
1	April -YYYY				
2	May-YYYY				
3	June-YYYY				
4	July-YYYY				
	....				
	.....				
	March-YYYY				
	Grand Total				

\*Should include complaints of previous months resolved in the current month, if any.

\*\*Should include total complaints pending as on the last day of the month, if any.

^ Average resolution time is the sum total of time taken to resolve each complaint in the current month divided by total number of complaints resolved in the current month.

**Trend of annual disposal of complaints**

SN	Year	Carried forward from previous year	Received during the year	Received during the year	Pending at the end of the year
1	April -YYYY				
2	May-YYYY				
3	June-YYYY				
4	July-YYYY				
	<b>Grand Total</b>				

# Investor Charter for Depository Participant-NSDL

Annexure-A

## 1. Vision

Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.

## 2. Mission:

- To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
- To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
- To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.

## 3. Details of business transacted by the Depository and Depository Participant (DP)

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (Dps), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP). Details available on the link [<https://nsdl.co.in/dpsch.php>].

## 4. Description of services provided by the Depository through Depository Participants (DP) to investors

### (1) Basic Services

Sr.No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
1	Dematerialization of securities	7 days
2	Rematerialization of securities	7 days
3	Mutual Fund Conversion / Destatementization	5 days
4	Re-conversion / Restatementisation of Mutual fund units	7 days
5	Transmission of securities	7 days
6	Registering pledge request	15 days
7	Closure of demat account	30 days
8	Settlement Instruction	Depositories to accept physical DIS for pay-in of securities upto 4 p.m. and DIS in electronic form upto 6 p.m. on T+1 day

### (2) Depositories provide special services like pledge, hypothecation, internet based services etc. in addition to their core services and these include

Sr.No.	Type of Activity / Service	Brief about the Activity / Service
1	Value Added Services	Depositories also provide value added services such as <ol style="list-style-type: none"> <li>a. <a href="#">Basic Services Demat Account (BSDA)</a><sup>1</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>b. <a href="#">Transposition cum dematerialization</a><sup>2</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>c. <a href="#">Linkages with Clearing System</a><sup>3</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc.</li> </ol>
2	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
3	Digitalization of services provided by the depositories	Depositories offer below technology solutions and e-facilities to their demat account holders through Dps: <ol style="list-style-type: none"> <li>a. <a href="#">E-account opening</a><sup>4</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>b. <a href="#">Online instructions for execution</a><sup>5</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>c. <a href="#">e-DIS / Demat Gateway</a><sup>6</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>d. <a href="#">e-CAS facility</a><sup>7</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> <li>e. <a href="#">Miscellaneous services</a><sup>8</sup> (Refer to Annexure B of Investor charter of Depository Participant- NSDL)</li> </ol>

## 5. Details of Grievance Redressal Mechanism

### (1) The Process of investor grievance redressal

1	Investor Complaint / Grievances	Investor can lodge complaint/ grievance against the Depository/DP in the following ways: a. Electronic mode - (i) SCORES (a web based centralized grievance redressal system of SEBI) [https://www.scores.gov.in/scores/Welcome.html] (ii) Respective Depository's web portal dedicated for the filing of complaint [https://www.epass.nsdl.com/complaints/websitecomplaints.aspx]. (iii) Emails to designated email IDs of Depository [relations@nsdl.co.in]. The complaints/grievances lodged directly with the Depository shall be resolved within 21 days.
2	Investor Grievance Redressal Committee of Depository	If no amicable resolution is arrived, then the Investor has the option to refer the complaint / grievance to the Grievance Redressal Committee (GRC) of the Depository. Upon receipt of reference, the GRC will endeavor to resolve the complaint / grievance by hearing the parties, and examining the necessary information and documents.
3	Arbitration proceedings	The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of the Depository in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s).

(2) [For the Multi-level complaint resolution mechanism available at the Depositories<sup>9</sup> \(Refer to Annexure B of Investor charter of Depository Participant- NSDL\)](#)

## 6. Guidance pertaining to special circumstances related to market activities: Termination of the Depository Participant

Sr.No.	Type of special circumstances	Timelines for the Activity/ Service
1	<ul style="list-style-type: none"> <li>• Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.</li> <li>• Participant surrenders the participation by its own wish.</li> </ul>	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.

7. [Dos and Don'ts for Investors<sup>10</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- NSDL)

8. [Rights of investors<sup>11</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- NSDL)

9. [Responsibilities of Investors<sup>12</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- NSDL)

## INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER

This document contains the contents in main Charter mapped with the same superscript.

### Para 4 (2) of Investor Charter

#### **Point 1: Value Added Services**

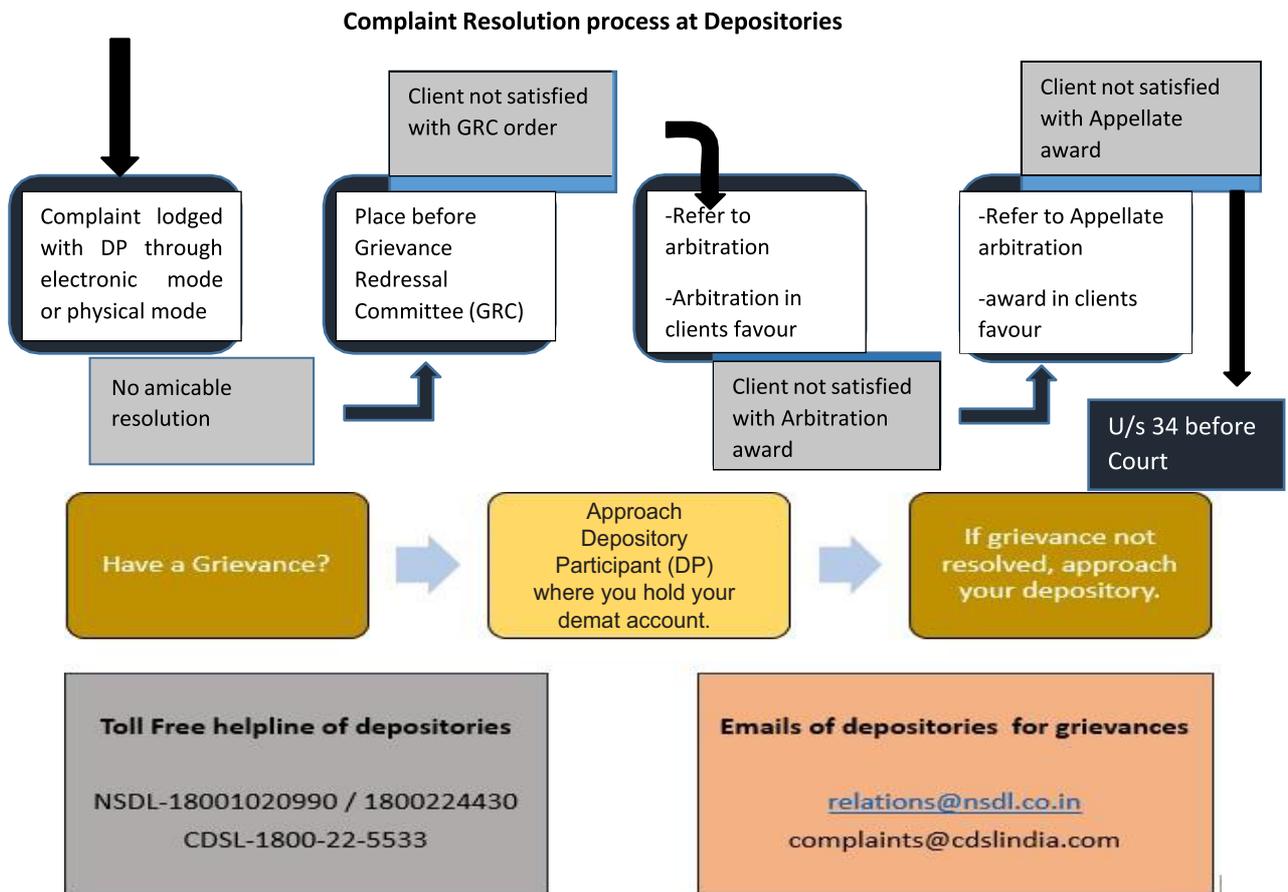
- a. **Basic Services Demat Account (BSDA)<sup>1</sup>**: The facility of BSDA with limited services for eligible individuals was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. No Annual Maintenance Charges (AMC) shall be levied, if the value of securities holding is upto Rs. 50,000. For value of holdings between Rs 50,001- 2,00,000, AMC not exceeding Rs 100 is chargeable. In case of debt securities, there are no AMC charges for holding value upto Rs 1,00,000 and a maximum of Rs 100 as AMC is chargeable for value of holdings between Rs 1,00,001 and Rs 2,00,000.
- b. **Transposition cum dematerialization<sup>2</sup>**: In case of transposition-cum- dematerialisation, client can get securities dematerialised in the same account if the names appearing on the certificates match with the names in which the account has been opened but are in a different order. The same may be done by submitting the security certificates along with the Transposition Form and Demat Request Form.
- c. **Linkages with Clearing System<sup>3</sup>** for actual delivery of securities to the clearing system from the selling brokers and delivery of securities from the clearing system to the buying broker.

#### **Point 3: Digitization of services provided by the depositories.**

- a. **E-account opening<sup>4</sup>** Account opening through digital mode, popularly known as “On-line Account opening”, wherein investor intending to open the demat account can visit DP website, fill in the required information, submit the required documents, conduct video IPV and demat account gets opened without visiting DP's office.
- b. **Online instructions for execution<sup>5</sup>**: internet-enabled services like Speed-e (NSDL) & Easiest (CDSL) empower a demat account holder in managing his/her securities ‘anytime-anywhere’ in an efficient and convenient manner and submit instructions online without the need to use paper. These facilities allows Beneficial Owner (BO) to submit transfer instructions and pledge instructions including margin pledge from their demat account. The instruction facilities are also available on mobile applications through android, windows and IOS platforms.
- c. **e-DIS / Demat Gateway<sup>6</sup>** Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client shall be required to authorize each e-DIS valid for a single settlement number / settlement date, by way of OTP and PIN/password, both generated at Depositories end. Necessary risk containment measures are being adopted by Depositories in this regard.
- d. **e-CAS facility<sup>7</sup>**: Consolidated Account Statements are available online and could also be accessed through mobile app to facilitate the investors to view their holdings in demat form.
- e. **Miscellaneous services<sup>8</sup>**: Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

**Para 5(2) of Investor Charter**

**Complaint Resolution process at Depositories<sup>9</sup>**



Investor Helpline Details of Depositories

## Para 7 of Investor Charter

### Dos and Don'ts for Investor<sup>10</sup>

Sl No.	Guidance
1.	Always deal with a SEBI registered Depository Participant for opening a demat account.
2.	Read all the documents carefully before signing them.
3.	Before granting Power of attorney/Demat Debit and Pledge Instruction to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
4.	Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
5.	Accept the Delivery Instruction Slip (DIS) book from your DP only (pre- printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders. Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s). Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque.
6.	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
7.	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
8.	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
9.	Do not share password of your online trading and demat account with anyone.
10.	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
11.	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
12.	Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
13.	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>
14.	Keep a record of documents signed, DIS issued and account statements received.
15.	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
16.	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
17.	Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
18.	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
19.	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
20.	Beware of assured/fixed returns.

## **Para 8 of Investor Charter**

### **Rights of investors<sup>11</sup>**

- Receive a copy of KYC, copy of account opening documents.
- No minimum balance is required to be maintained in a demat account.
- No charges are payable for opening of demat accounts.
- If executed, receive a copy of Demat Debit and Pledge Instruction. However, Demat Debit and Pledge Instruction is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.
- You can open more than one demat account in the same name with single DP/ multiple Dps.
- Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the matter with the Depositories.
- Pledge and /or any other interest or encumbrance can be created on demat holdings.
- Right to give standing instructions with regard to the crediting of securities in demat account.
- Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.
- In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
- Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which Depositories have developed an internet based 'e-Voting' platform.
- Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.

## **Para 9 of Investor Charter**

### **Responsibilities of Investors<sup>12</sup>**

- Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.
- Read all documents and conditions being agreed before signing the account opening form.
- Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.
- Always mention the details like ISIN, number of securities accurately.
- Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- Regularly verify balances and demat statement and reconcile with trades / transactions.
- Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

# Investor Charter for Depository Participant-CDSL

**Annexure-A**

- 1. Vision**  
Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.
- 2. Mission:**
  - To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
  - To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
  - To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.
- 3. Details of business transacted by the Depository and Depository Participant (DP)**  
A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (Dps), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP). Details available on the link [<https://www.cdslindia.com/DP/dplist.aspx>].
- 4. Description of services provided by the Depository through Depository Participants (DP) to investors**

**(1) Basic Services**

Sr.No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
1	Dematerialization of securities	7 days
2	Rematerialization of securities	7 days
3	Mutual Fund Conversion / Destatementization	5 days
4	Re-conversion / Restatementisation of Mutual fund units	7 days
5	Transmission of securities	7 days
6	Registering pledge request	15 days
7	Closure of demat account	30 days
8	Settlement Instruction	Depositories to accept physical DIS for pay-in of securities upto 4 p.m. and DIS in electronic form upto 6 p.m. on T+1 day

**(2) Depositories provide special services like pledge, hypothecation, internet based services etc. in addition to their core services and these include**

Sr.No.	Type of Activity / Service	Brief about the Activity / Service
1	Value Added Services	Depositories also provide value added services such as <ol style="list-style-type: none"> <li>a. <a href="#">Basic Services Demat Account (BSDA)</a><sup>1</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>b. <a href="#">Transposition cum dematerialization</a><sup>2</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>c. <a href="#">Linkages with Clearing System</a><sup>3</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc.</li> </ol>
2	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
3	Digitalization of services provided by the depositories	Depositories offer below technology solutions and e-facilities to their demat account holders through Dps: <ol style="list-style-type: none"> <li>a. <a href="#">E-account opening</a><sup>4</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>b. <a href="#">Online instructions for execution</a><sup>5</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>c. <a href="#">e-DIS / Demat Gateway</a><sup>6</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>d. <a href="#">e-CAS facility</a><sup>7</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> <li>e. <a href="#">Miscellaneous services</a><sup>8</sup> (Refer to Annexure B of Investor charter of Depository Participant- CDSL)</li> </ol>

**5. Details of Grievance Redressal Mechanism**

(1) The Process of investor grievance redressal

1	Investor Complaint / Grievances	<p>Investor can lodge complaint/ grievance against the Depository/DP in the following ways:</p> <p>a. Electronic mode -</p> <p>(i) SCORES (a web based centralized grievance redressal system of SEBI) [<a href="https://www.scores.gov.in/scores/Welcome.html">https://www.scores.gov.in/scores/Welcome.html</a>]</p> <p>(ii) Respective Depository's web portal dedicated for the filing of complaint [<a href="https://www.cdslindia.com/Footer/grievances.aspx">https://www.cdslindia.com/Footer/grievances.aspx</a>]</p> <p>(iii) Emails to designated email IDs of Depository [<a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a>]</p> <p>b. Offline mode [<a href="#">Please visit to your nearest branch</a>]</p> <p>The complaints/grievances lodged directly with the Depository shall be resolved within 21 days.</p>
2	Investor Grievance Redressal Committee of Depository	<p>If no amicable resolution is arrived, then the Investor has the option to refer the complaint / grievance to the Grievance Redressal Committee (GRC) of the Depository. Upon receipt of reference, the GRC will endeavor to resolve the complaint / grievance by hearing the parties and examining the necessary information and documents.</p>
3	Arbitration proceedings	<p>The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of the Depository in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s).</p>

(2) [For the Multi-level complaint resolution mechanism available at the Depositories<sup>9</sup> \(Refer to Annexure B of Investor charter of Depository Participant- CDSL\)](#)

**6. Guidance pertaining to special circumstances related to market activities: Termination of the Depository Participant**

Sr.No.	Type of special circumstances	Timelines for the Activity/ Service
1	<ul style="list-style-type: none"> <li>• Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.</li> <li>• Participant surrenders the participation by its own wish.</li> </ul>	<p>Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.</p>

7. [Dos and Don'ts for Investors<sup>10</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- CDSL)

8. [Rights of investors<sup>11</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- CDSL)

9. [Responsibilities of Investors<sup>12</sup>](#) (Refer to Annexure B of Investor charter of Depository Participant- CDSL)

## Annexure B

### INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER FOR DEPOSITORIES AND DPS

This document contains the contents pertaining to the qualifier “[<https://www.cdslindia.com/Investors/InvestorCharter.html>]” in the Investor Charter main document. The same is to be made available by the Depositories on their websites and web-links to the same is to be provided for incorporation in the Investor Charter.

For reasons of convenience, the contents in main Charter and this document have been mapped with the same superscript.

#### Para 4 (2) of Investor Charter

##### **Point 1: Value Added Services**

- a. **Basic Services Demat Account (BSDA)<sup>1</sup>**: The facility of BSDA with limited services for eligible individuals was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. No Annual Maintenance Charges (AMC) shall be levied, if the value of securities holding is upto Rs. 50,000. For value of holdings between Rs 50,001- 2,00,000, AMC not exceeding Rs 100 is chargeable. In case of debt securities, there are no AMC charges for holding value upto Rs 1,00,000 and a maximum of Rs 100 as AMC is chargeable for value of holdings between Rs 1,00,001 and Rs 2,00,000.
- b. **Transposition cum dematerialization<sup>2</sup>**: In case of transposition-cum- dematerialisation, client can get securities dematerialised in the same account if the names appearing on the certificates match with the names in which the account has been opened but are in a different order. The same may be done by submitting the security certificates along with the Transposition Form and Demat Request Form.
- c. **Linkages with Clearing System<sup>3</sup>** for actual delivery of securities to the clearing system from the selling brokers and delivery of securities from the clearing system to the buying broker.

##### **Point 3: Digitization of services provided by the depositories**

- a. **E-account opening<sup>4</sup>** Account opening through digital mode, popularly known as “On-line Account opening”, wherein investor intending to open the demat account can visit DP website, fill in the required information, submit the required documents, conduct video IPV and demat account gets opened without visiting DPs office.
- b. **Online instructions for execution<sup>5</sup>**: internet-enabled services like Speed-e (NSDL) & Easiest (CDSL) empower a demat account holder in managing his/her securities ‘anytime-anywhere’ in an efficient and convenient manner and submit instructions online without the need to use paper. These facilities allows Beneficial Owner (BO) to submit transfer instructions and pledge instructions including margin pledge from their demat account. The instruction facilities are also available on mobile applications through android, windows and IOS platforms.
- c. **e-DIS / Demat Gateway<sup>6</sup>**: Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client shall be required to authorize each e-DIS valid for a single settlement number / settlement date, by way of OTP and PIN/password, both generated at Depositories end. Necessary risk containment measures are being adopted by Depositories in this regard.
- d. **e-CAS facility<sup>7</sup>**: Consolidated Account Statements are available online and could also be accessed through mobile app to facilitate the investors to view their holdings in demat form.
- e. **Miscellaneous services<sup>8</sup>**: Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

#### Para 5(1) of Investor Charter

##### **Point 2 (Investor Grievance Redressal Committee of Depository)<sup>9</sup>**

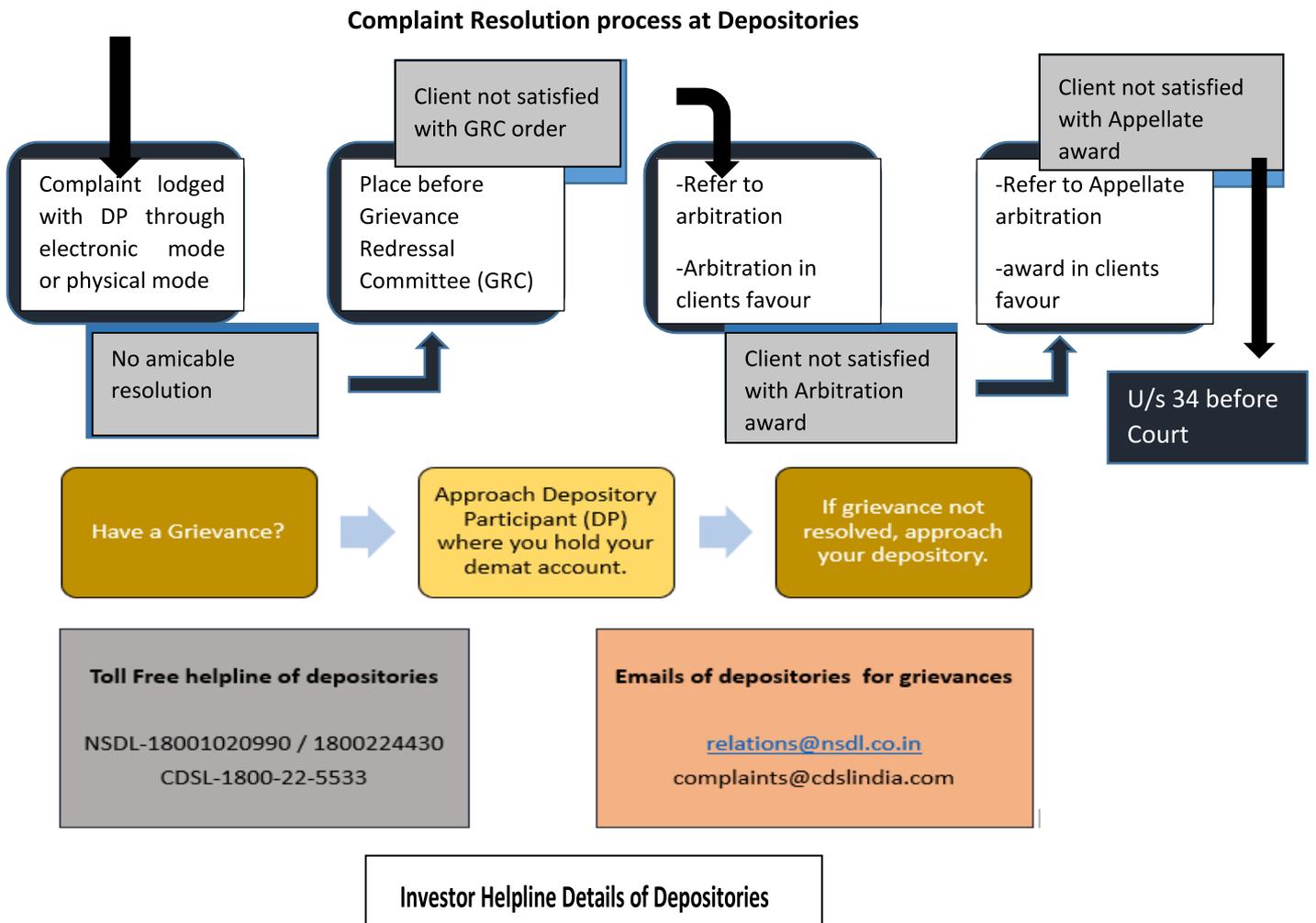
If no amicable resolution is arrived, then the Investor has the option to refer the complaint/ grievance to the Grievance Redressal Committee (GRC) of the Depository. Upon receipt of reference, the GRC will endeavor to resolve the complaint/ grievance by hearing the parties and examining the necessary information and documents.

**Point 3(Arbitration proceedings)<sup>10</sup>:**

The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of the Depository in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s).

**Para 5(2) of Investor Charter**

**Complaint Resolution process at Depositories<sup>11</sup>**



## Para 7 of Investor Charter

### Dos and Don'ts for Investor<sup>12</sup>

Sl No.	Guidance
1.	Always deal with a SEBI registered Depository Participant for opening a demat account.
2.	Read all the documents carefully before signing them.
3.	Before granting Power of attorney/Demat Debit and Pledge Instruction to operate your demat account to an intermediary like Stockbroker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
4.	Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
5.	Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders. Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s). Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque.
6.	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
7.	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
8.	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
9.	Do not share password of your online trading and demat account with anyone.
10.	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
11.	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
12.	Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
13.	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>
14.	Keep a record of documents signed, DIS issued and account statements received.
15.	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
16.	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
17.	Register for Depository's internet-based facility or download mobile app of the depository to monitor your holdings.
18.	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
19.	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
20.	Beware of assured/fixed returns.

## **Para 8 of Investor Charter**

### **Rights of investors<sup>13</sup>**

- Receive a copy of KYC, copy of account opening documents.
- No minimum balance is required to be maintained in a demat account.
- No charges are payable for opening of demat accounts.
- If executed, receive a copy of Demat Debit and Pledge Instruction. However, Demat Debit and Pledge Instruction is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.
- You can open more than one demat account in the same name with single DP/ multiple Dps.
- Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the matter with the Depositories.
- Pledge and /or any other interest or encumbrance can be created on demat holdings.
- Right to give standing instructions with regard to the crediting of securities in demat account.
- Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.
- In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
- Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which Depositories have developed an internet based 'e-Voting' platform.
- Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.

## **Para 9 of Investor Charter**

### **Responsibilities of Investors<sup>14</sup>**

- Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.
- Read all documents and conditions being agreed before signing the account opening form.
- Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.
- Always mention the details like ISIN, number of securities accurately.
- Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- Regularly verify balances and demat statement and reconcile with trades / transactions.
- Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

## SECURITIES LENDING AND BORROWING

Stock lending and borrowing (SLB) is a system in which traders borrow shares that they do not already own or lend the stocks that they own but do not intend to sell immediately. However, there are some differences - crucially, the rate of interest is market-determined and free of control. Only stocks in the futures and option segment can be borrowed and lent.

For rendering the SLB services Mirae Asset Sharekhan will charge a brokerage as mentioned in KYC + GST on the lending/borrowing fee. Other statutory charges will be levied as per the exchange guidelines

### **Execution Policy:**

SLB orders will be placed only if ALL conditions mentioned below are satisfied.

1. The client should have given his/her physical consent to participate in SLB segment
2. Client should not be deactivated/suspended on any or both the exchanges
3. The client should have required shares/funded in trading linked demat/savings account
4. The stock should be part of NSE derivatives segment
5. The order will be executed from the Exchange trading terminal.
6. The order should only be routed through the mapped RM or through centralized dealing desk (CDD).

### **Terms and Conditions:**

This terms and conditions (T&C) shall be read in conjunction with the T&C signed by the client during account opening with Mirae Asset Sharekhan

- This Facility shall be offered to the Clients at the sole discretion of Mirae Asset Sharekhan
- SLB order can be executed through Exchange terminals only. Thus, the customer must route the order through the mapped RM or centralized dealing desk (CDD) only.
- SLB will be available on NSE and BSE exchange and on the stocks which are available for trading on Derivatives segment.
- Customer who wish to lend the shares should have the required number of shares in his/her trading linked demat account before initiating the order placement, otherwise the order will get rejected.
- Customer who wish to borrow the shares should have 100% of lending price, Value at Risk margins, Extreme Loss Margins (same as applicable in Cash market for buying or selling a security) in his/her trading linked bank account before placing an order.
- Mirae Asset Sharekhan reserves the right to refuse to offer this Facility to any Client or group of Clients and may withdraw the Facility at any time without prior notice or assigning any reason therefor.
- Mirae Asset Sharekhan will levy a brokerage of as mentioned in KYC + GST on the lending/borrowing fee. Other statutory will be levy as per the exchange guidelines.
- In case of any discrepancy/Issue in placing any order please call your Relationship Manager Or Call -N -Trade desk on 022-41902300/600/ or 022-69920000

Clients who wish to activate SLBM segment, such clients need to have a DDPI/POA in favour of Sharekhan only then payin would be done.

The Client agrees that Mirae Asset Sharekhan would not be liable in the event for reasons including but not limited to volatility 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 of Mirae Asset Sharekhan.

## Client RIGHTS AND OBLIGATION DOCUMENT FOR SLBS

- i. The Securities and Exchange Board of India (“SEBI”) has formulated and issued the Securities Lending Scheme, 1997 (“SEBI Scheme”) and SEBI Circular No MRD/DoP/SE/Dep/Cir-14/2007 dated 20th December 2007 for facilitating lending and borrowing of securities through an “Approved Intermediary” registered with SEBI.
- ii. The NSE Clearing Ltd. is an Approved Intermediary (“AI”) registered under the SEBI Scheme and is, therefore, authorized to facilitate lending and borrowing of securities in accordance with the SEBI Scheme and Circulars of SEBI issued from time to time. Accordingly, the AI has framed the Securities Lending and Borrowing Scheme (hereinafter referred to as “SLBS”) for facilitating lending and borrowing of securities through persons registered as “Participants”.
- iii. SEBI, thereafter, vide its Circular No. CIR/NRD/DP/19/2014 dated June 3, 2014 (“SEBI Circular”) has modified the framework of Securities Lending and Borrowing. Under the said SEBI Circular, AI shall enter into an agreement with its Clearing Member/Participant (“Agreement”) for the purpose of facilitating Securities Lending and Borrowing and which shall specify the rights, responsibilities and obligations of the AI and the Clearing Member/Participant (“Participant”). The said Agreement shall also define the exact role of AI/Participant vis-à-vis the Client of Participant. As per the said SEBI Circular, AI is also required to frame rights and obligations document laying down the rights and obligations of the Participant and its Client for the purpose of Securities Lending and Borrowing. The said rights and obligations document shall be mandatory and binding on the Participant. Accordingly, the AI has framed this rights and obligations document laying down the rights and obligations of Participant as well as of its Client (“Rights & Obligations Document”).
- iv. Securities Lending and Borrowing can be undertaken by the Participant either on their own account or on account of its Client registered with them. Any person (s) who meets the eligibility criteria as may be specified by the AI for the Clients under the SLBS, shall be eligible to participate in the SLBS by submitting duly signed relevant documentation/s to the Participant that it is desirous of participating in the SLBS. The Participant on the receipt of said relevant documentation/s from its Client, shall provide this Rights & Obligations Document to its Client which will be duly acknowledged by the Client of having read, understood and to agreeing to abide by the same prior to the execution of trade in the SLBS. The terms and conditions of this Rights & Obligations Document shall be binding on the Participant as well as on its Client.
- v. All the transactions under the SLBS by the Client shall be strictly in accordance with SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and the terms and conditions of the said Agreement. In the event of any conflict or contradiction between the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder and the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and the terms and conditions of the said Agreement and this Rights & Obligations Document, the provisions of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder, the Rules, Byelaws and Regulations of the AI as a Clearing Corporation and the terms and conditions of the said Agreement shall prevail over this Rights & Obligations Document. The provisions of this Rights & Obligations Document are in addition thereto and not in derogation thereof.
- vi. The Participant has made the Client aware of and the Client has understood the precise nature of the Participant's liability towards the Client under SLBS including any limitations on the liability and the capacity in which the Participant acts.
- vii. Subject to the SEBI Scheme, Circulars of SEBI, SLBS and Circulars issued thereunder, and/or the Rules, Byelaws, Regulations of the AI as a Clearing Corporation as applicable and as in force from time to time, the rights and obligations of the Participant as well as its Client shall be hereto as under.
- viii. Unless the context otherwise requires, the words and expressions used herein shall have the same meaning as defined in Securities Contracts (Regulation) Act, 1956 or Securities and Exchange Board of India Act, 1992 or Securities Lending Scheme, 1997 or Depositories Act, 1996 or the rules and regulations made thereunder respectively or Circulars of SEBI or SLBS and the Circulars issued thereunder and the Rules, Byelaws and Regulations of the AI as a Clearing Corporation.

### RIGHTS OF THE PARTICIPANT

- ix. In consideration of the Participant providing full-fledged securities lending and borrowing under the SLBS, the Participant shall be entitled for charges, fees, and other levies and /or any such other charges, subject to such limits as may be permitted by the AI in its Circulars from time to time.
- x. Margins  
The Participant is empowered to call upon its Client to pay such margins as may be specified by the AI from time to time.

- xi. Recovery
- xii. The Participant shall be entitled to recover from the Client the loss or charges, fees, other levies and /or any such other charges that has been paid by the Participant to the AI or imposed by the AI on account of its Client arising out of default or transactions under the SLBS whether current or past that are effected by the Client in meeting its obligations by adjusting margins and other deposits, if any, available with the Participant against the Client's liabilities / obligations.

#### **OBLIGATIONS OF THE PARTICIPANT**

- xiii. The Participant has satisfied itself about the genuineness and financial soundness of the Client and the objectives relevant to the services to be provided and is therefore, agreeable to facilitating such participation subject to the terms and conditions contained herein.

#### **xiii. Issue of Confirmation Memo**

The Participant shall, upon execution of the Client's transaction on the order matching platform of the AI, issue the confirmation memo in the specified format or such other documents to the Client within such time as may be prescribed by the AI from time to time.

#### **xiv. Money / Securities to be kept in separate account**

The Participant agrees that the money / securities deposited by the Client shall be kept in a separate bank account / settlement demat account, distinct from its own account or accounts of any other Clients, and shall not be used by the Participant for itself or for any other Clients or for any purpose other than the purposes mentioned in the SEBI Scheme, Circulars of SEBI, SLBS and Circulars issued thereunder and/or the Rules, Byelaws, Regulations of the AI as a Clearing Corporation and as in force from time to time.

#### **xv. Update on Settlement Process**

The Participant agrees to inform and keep the Client apprised about securities lending and borrowing settlement cycles, delivery/payment schedules and any changes therein from time to time.

#### **xvi. Compliance with Know Your Client Norms**

The Participant undertakes to maintain the "Know Your Client" details of the Client as mentioned in the Client Registration Form or any other information pertaining to the Client in confidence and that it shall not disclose the same to any person / authority except to the AI or as required under any law / regulatory requirements or in compliance with any decree, order or direction of any Court, Tribunal, SEBI or other authority duly empowered in law; Provided however that the Participant may so disclose information about its Client to any person or authority with the express permission of the Client.

#### **xvii. Reconciliation of Account**

The Participant and the Client shall agree to reconcile their accounts regularly with reference to the transactions under the SLBS.

#### **xviii. Return of Securities and Lending Fees**

Where the Client is a lender unless otherwise agreed upon between the Participant and the Client -

- a) The Participant shall ensure the return of securities to the Client by transferring the same to the Client's account within such time as may be prescribed by the AI.
- b) The Participant shall ensure the return of the lending fees to the Client within such time as may be prescribed by the AI.

#### **xix. Delivery of Securities**

Where Client is a borrower unless otherwise agreed upon between the Participant and the Client – The Participant shall ensure the delivery of securities to the Client by transferring the same to the Client's account within such time as may be prescribed by the AI.

#### **RIGHTS OF THE CLIENT**

- xx. Where the Client is the lender unless otherwise agreed upon between the Participant and the Client –
  - a) The Client shall be entitled to receive the securities lent or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time.
  - b) The Client shall be entitled to receive lender's fee for the securities lent.

- xxi. Where the Client is the borrower unless otherwise agreed upon between the Participant and the Client –
- a) The Client shall be entitled to receive securities borrowed or financial compensation in lieu thereof, computed in such manner as may be specified by the AI from time to time.
  - b) The Client shall be entitled to receive from the Participant, the collateral in case the Client has deposited securities approved by the AI as collateral.
- xxii. Notwithstanding any other provisions of the said Agreement and this Rights & Obligations Document, the Client shall be entitled to have all the rights that are conferred on it from time to time under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder.

#### **OBLIGATION OF THE CLIENT**

xxiii. Abide by Law & Acquaintance to Law

The Participant declares that it has brought the contents of the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder from time to time, and the terms and conditions of the said Agreement to the notice of the Client and the Client agrees to comply with and adhere to the same.

xxiv. Update & Comply with the Settlement Process

Notwithstanding anything contained in Clause 15 hereto, the Client shall at all times make its own inquiries and keep itself updated on all settlement cycles, delivery/payment schedules and changes therein, and it shall be the responsibility of the Client to comply with such schedules/procedures of the AI.

xxv. Processing Charges

The Client agrees to pay the Participant, processing charges and statutory levies prevailing from time to time or any other charges for the services provided by the Participant. The Participant agrees that it shall not charge processing charges / fees beyond the maximum limit permissible under the SEBI Scheme, Circulars of SEBI, SLBS and the Circulars issued thereunder from time to time.

xxvi. Change in Client Registration Form

The Client agrees to immediately notify the Participant in writing whenever there is any change of information in the details provided by the Client to the Participant at the time of its registration with the Participant and as provided in the said relevant documentation/s required for participating in SLBS.

xxvii. Authorized Representative

The Client agrees to be bound by the instructions issued by its authorized representative, if any, in accordance with the letter authorizing the said representative to deal on its behalf.

xxviii. Return of Securities

The Client shall return the equivalent number of securities of the same type and class borrowed by it within the time specified by the AI in the Circulars issued from time to time.

xxix. Payment of Margins

The Client agrees to pay such margins as may be specified by the Participant in accordance with the requirement of AI or SEBI from time to time.

xxx. Exposure / Position Limits

The Client agrees to abide by the exposure / position limits, if any, set by the Participant or the AI or SEBI from time to time.

xxxi. Securities lent to be Unencumbered

The Client agrees and warrants that the securities lent is free from lien, charge, pledge or any encumbrance(s) of whatsoever nature.

xxxii. Collateral

At the discretion of the Participant, where the Client deposits the required collateral with the Participant, the same shall be free from any encumbrance(s) of whatsoever nature or defect in the title. If any encumbrance(s) or defect in the title is found subsequently, such collateral shall be immediately replaced by the Client.

**xxxiii. Insolvency**

The Client agrees to immediately furnish information to the Participant in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against it or if any litigation which may have material adverse bearing on its net worth has been filed against it.

**xxxiv. Cancellation of Transactions**

Notwithstanding anything contained in the said Agreement, the AI shall be entitled to cancel transactions under the SLBS, either on an application by a Participant or suo moto or under regulatory directions, and in such event, the transactions done on behalf of the Client shall ipso facto stand cancelled, and neither the AI nor the Participant shall be liable to compensate the Client for any loss whatsoever (including opportunity loss) arising out of such cancellation.

**xxxv. Discontinuation of SLBS and Participation in SLBS**

The AI shall be entitled to discontinue the SLBS or the participation of the Participant in the SLBS at any time at its discretion. Such discontinuation may be subject to such terms and conditions as may be specified by the AI from time to time.

**ARBITRATION**

xxxvi. The Participant and the Client shall co-operate with each other and / or the AI in redressing their grievances in respect of transactions under the SLBS.

xxxvii. All disputes and differences or questions arising out of or in relation to this agreement including obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of this agreement shall in the first instance be resolved mutually by the parties. If the parties fail to resolve the same mutually, then the same shall be referred to and decided by arbitration in accordance with the procedures as prescribed by the AI under the SLBS and the Circulars issued thereunder.

**GOVERNING LAW AND JURISDICTION**

xxxviii. In relation to any legal action or proceedings, the Participant as well as the Client irrevocably submit to the exclusive jurisdiction of the courts of Mumbai, India and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.

## Most Important Terms and Conditions (MITC)

(For non-custodial settled trading accounts)

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

**Declaration:** I/We hereby confirm that i/we have read and understood the above mentioned contents of the standard 'Most Important Terms and Conditions'.

## Most Important Terms and Conditions (MITC)

[Forming part of the Terms and Conditions for providing research services]

1. These terms and conditions, and consent thereon are for the research services provided by the Research Analyst (RA) and RA cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit RA to execute any trade on their behalf.
2. The fee charged by RA to the client will be subject to the maximum of amount prescribed by SEBI/ Research Analyst Administration and Supervisory Body (RAASB) from time to time (applicable only for Individual and HUF Clients).

**Note:**

- 2.1. The current fee limit is Rs 1,51,000/- per annum per family of client for all research services of the RA.
- 2.2. The fee limit does not include statutory charges.
- 2.3. The fee limits do not apply to a non-individual client / accredited investor.
3. RA may charge fees in advance if agreed by the client. Such advance shall not exceed the period stipulated by SEBI; presently it is one quarter. In case of pre-mature termination of the RA services by either the client or the RA, the client shall be entitled to seek refund of proportionate fees only for unexpired period.
4. Fees to RA may be paid by the client through any of the specified modes like cheque, online bank transfer, UPI, etc. Cash payment is not allowed. Optionally the client can make payments through Centralized Fee Collection Mechanism (CeFCoM) managed by BSE Limited (i.e. currently recognized RAASB).
5. The RA is required to abide by the applicable regulations/ circulars/ directions specified by SEBI and RAASB from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. The RA will endeavor to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.
6. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. No scheme of this nature shall be offered to the client by the RA.
7. The RA cannot guarantee returns, profits, accuracy, or risk-free investments from the use of the RA's research services. All opinions, projections, estimates of the RA are based on the analysis of available data under certain assumptions as of the date of preparation/publication of research report.
8. Any investment made based on recommendations in research reports are subject to market risks, and recommendations do not provide any assurance of returns. There is no recourse to claim any losses incurred on the investments made based on the recommendations in the research report. Any reliance placed on the research report provided by the RA shall be as per the client's own judgement and assessment of the conclusions contained in the research report.
9. The SEBI registration, Enlistment with RAASB, and NISM certification do not guarantee the performance of the RA or assure any returns to the client.
10. For any grievances,
  - Step 1: the client should first contact the RA using the details on its website or following contact details:  
(RA to provide details as per 'Grievance Redressal / Escalation Matrix')
  - Step 2: If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at <https://scores.sebi.gov.in/>
  - Step 3: The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>
11. Clients are required to keep contact details, including email id and mobile number/s updated with the RA at all times.
12. The RA shall never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. Never share such information with anyone including RA.

**Declaration:** I/We hereby confirm that i/we have read and understood the above mentioned contents of the standard 'Most Important Terms and Conditions'.

## INVESTOR CHARTER IN RESPECT OF RAs

### A. Vision and Mission Statements for investors

- **Vision**

Invest with knowledge & safety.

- **Mission**

Every investor should be able to invest in right investment products based on their needs, manage and monitor them to meet their goals, access reports and enjoy financial wellness.

### B. Details of business transacted by the Research Analyst with respect to the investors

- To publish research report based on the research activities of the RA
- To provide an independent unbiased view on securities.
- To offer unbiased recommendation, disclosing the financial interests in recommended securities.
- To provide research recommendation, based on analysis of publicly available information and known observations.
- To conduct audit annually
- To ensure that all advertisements are in adherence to the provisions of the Advertisement Code for Research Analysts.
- To maintain records of interactions, with all clients including prospective clients (prior to onboarding), where any conversation related to the research services has taken place.

### C. Details of services provided to investors (No Indicative Timelines)

- Onboarding of Clients
  - o Sharing of terms and conditions of research services
  - o Completing KYC of fee paying clients
- Disclosure to Clients:
  - o To disclose, information that is material for the client to make an informed decision, including details of its business activity, disciplinary history, the terms and conditions of research services, details of associates, risks and conflicts of interest, if any
  - o To disclose the extent of use of Artificial Intelligence tools in providing research services
  - o To disclose, while distributing a third party research report, any material conflict of interest of such third party research provider or provide web address that directs a recipient to the relevant disclosures
  - o To disclose any conflict of interest of the activities of providing research services with other activities of the research analyst.
- To distribute research reports and recommendations to the clients without discrimination.
- To maintain confidentiality w.r.t publication of the research report until made available in the public domain.
- To respect data privacy rights of clients and take measures to protect unauthorized use of their confidential information
- To disclose the timelines for the services provided by the research analyst to clients and ensure adherence to the said timelines
- To provide clear guidance and adequate caution notice to clients when providing recommendations for dealing in complex and high-risk financial products/services
- To treat all clients with honesty and integrity
- To ensure confidentiality of information shared by clients unless such information is required to be provided in furtherance of discharging legal obligations or a client has provided specific consent to share such information.

#### **D. Details of grievance redressal mechanism and how to access it**

1. Investor can lodge complaint/grievance against Research Analyst in the following ways:

##### **Mode of filing the complaint with research analyst**

In case of any grievance / complaint, an investor may approach the concerned Research Analyst who shall strive to redress the grievance immediately, but not later than 21 days of the receipt of the grievance.

##### **Mode of filing the complaint on SCORES or with Research Analyst Administration and Supervisory Body (RAASB)**

- i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI for facilitating effective grievance redressal in time-bound manner) (<https://scores.sebi.gov.in>)  
Two level review for complaint/grievance against Research Analyst:
    - First review done by designated body (RAASB)
    - Second review done by SEBI
  - ii. Email to designated email ID of RAASB
2. If the Investor is not satisfied with the resolution provided by the Market Participants, then the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through online conciliation or arbitration.

With regard to physical complaints, investors may send their complaints to:

**Office of Investor Assistance and Education, Securities and Exchange Board of India,  
SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051**

#### **E. Rights of investors**

- Right to Privacy and Confidentiality
- Right to Transparent Practices
- Right to fair and Equitable Treatment
- Right to Adequate Information
- Right to Initial and Continuing Disclosure
  - Right to receive information about all the statutory and regulatory disclosures
- Right to Fair & True Advertisement
- Right to Awareness about Service Parameters and Turnaround Times
- Right to be informed of the timelines for each service
- Right to be Heard and Satisfactory Grievance Redressal
- Right to have timely redressal
- Right to Exit from Financial product or service in accordance with the terms and conditions agreed with the research analyst
- Right to receive clear guidance and caution notice when dealing in Complex and High-Risk Financial Products and Services
- Additional Rights to vulnerable consumers
  - Right to get access to services in a suitable manner even if differently abled
- Right to provide feedback on the financial products and services used
- Right against coercive, unfair, and one-sided clauses in financial agreements

#### **F. Expectations from the investors (Responsibilities of investors)**

- **Do's**
  - i. Always deal with SEBI registered Research Analyst.
  - ii. Ensure that the Research Analyst has a valid registration certificate.
  - iii. Check for SEBI registration number.

Please refer to the list of all SEBI registered Research Analyst which is available on SEBI website in the following link:  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intml=14>)

- iv. Always pay attention towards disclosures made in the research reports before investing.
  - v. Pay your Research Analyst through banking channels only and maintain duly signed receipts mentioning the details of your payments. You may make payment of fees through Centralized Fee Collection Mechanism (CeFCoM) of RAASB if research analyst has opted for the mechanism. (Applicable for fee paying clients only)
  - vi. Before buying/ selling securities or applying in public offer, check for the research recommendation provided by your Research Analyst.
  - vii. Ask all relevant questions and clear your doubts with your Research Analyst before acting on recommendation.
  - viii. Seek clarifications and guidance on research recommendations from your Research Analyst, especially if it involves complex and high risk financial products and services.
  - ix. Always be aware that you have the right to stop availing the service of a Research Analyst as per the terms of service agreed between you and your Research Analyst.
  - x. Always be aware that you have the right to provide feedback to your Research Analyst in respect of the services received.
  - xi. Always be aware that you will not be bound by any clause, prescribed by the research analyst, which is contravening any regulatory provisions.
  - xii. Inform SEBI about Research Analyst offering assured or guaranteed returns.
- **Don'ts**
    - i. Do not provide funds for investment to the Research Analyst.
    - ii. Don't fall prey to luring advertisements or market rumors.
    - iii. Do not get attracted to limited period discount or other incentive, gifts, etc. offered by Research Analyst.
    - iv. Do not share login credential and password of your trading, demat or bank accounts with the Research Analyst.

## COMPLAINT DATA TO BE DISPLAYED BY RAs

**Formats for investors complaints data to be disclosed monthly by RAs on their website/mobile application:**

Data for the month ending - \_\_\_\_\_

Sr. No.	Received from	Pending at the end of last month	Received	Resolved*	Total Pending#	Pending complaints > 3months	Average Resolution time <sup>^</sup> (in days)
1	Directly from Investors						
2	SEBI (SCORES)						
3	Other Sources (if any)						
	<b>Grand Total</b>						

Number of complaints received during month against the RA due to impersonation by some other entity:

**Note:** In case of any complaints received against the RA due to impersonation of the RA by some other entity, the RA may adjust the number of such complaints from total number of received/resolved complaints while preparing the above table. Further, RA must close such impersonation related complaints after following the due process as specified by SEBI/ RAASB.

\* Inclusive of complaints of previous months resolved in the current month.

# Inclusive of complaints pending as on the last day of the month.

<sup>^</sup> Average Resolution time is the sum total of time taken to resolve each complaint, in days, in the current month divided by total number of complaints resolved in the current month.

### Trend of Monthly Disposal of Complaints

Sr. No.	Month	Carried forward from previous month	Received	Resolved*	Pending#
1	April, YYYY				
2	May, YYYY				
3	June, YYYY				
4	.....				
5	March, YYYY				
	<b>Grand Total</b>				

\* Inclusive of complaints of previous months resolved in the current month.

# Inclusive of complaints pending as on the last day of the month.

### Trend of Annual Disposal of Complaints

Sr. No.	Year	Carried forward from previous year	Received	Resolved*	Pending#
1	2021-22				
2	2022-23				
3	2023-24				
4	20XX-XX				
	<b>Grand Total</b>				

\* Inclusive of complaints of previous years resolved in the current year.

# Inclusive of complaints pending as on the last day of the year.