



SHREE BALAJI MULTICOMMODITES PRIVATE LIMITED
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CLIENT COPY

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POLICIES AND PROCEDURES OF SBJ MULTICOM

This document contains the policies and procedures of SBJ MULTICOM:-

1. Orders at Unrealistic Prices / in Illiquid securities /Commodities
2. Applicable Brokerage limit
3. Setting up of exposure limits
4. Delayed payment charges
5. Squaring off of market positions, collaterals and other securities,
6. Refusal of Client requests for fresh positions
7. Suspension of Client's account and deregistering of the Client.
8. Policy regarding treatment of inactive accounts.

1. Orders at Unrealistic Prices / in Illiquid securities /Commodities

The client hereby confirms that it will not place or cause to be placed with SBJ MULTICOM, orders in securities /commodities at prices substantially different from their prevailing market price. The Client agrees that any order placed by the client at a price substantially different from the prevailing market price is liable to be rejected at the sole discretion of SBJ MULTICOM. The client also agrees that SBJ MULTICOM may in its sole discretion, and without disclosing any reasons, restrict or prohibit trading in any commodities / securities or reduce the open market interests of the client in such securities/ commodities which are considered illiquid or unsuitable for trade, a list of which is available for view on SBJ MULTICOM's back office system through secured login. The client understands that the said list is not exhaustive, though on a best effort basis SBJ MULTICOM keeps the list updated, and SBJ MULTICOM would be within its rights to restrict or prohibit trades in any securities / commodities not included in the list

2. Applicable Brokerage

- 2.1. SBJ MULTICOM shall levy brokerage for the Client's transactions as per the brokerage slabs mutually agreed with the Client in writing in the Client Registration Form and subsequent modification (if any) subject to the maximum rate prescribed by the Stock Exchanges / SEBI. The client shall pay such fees, charges and commissions as may be notified by SBJ MULTICOM from time to time depending upon the services availed by the client.
- 2.2. Subject to such maximum prescribed rates, SBJ MULTICOM may revise the rates from time to time after advance intimation to the Client of the revised rates and the date on and from which the revised rates shall take effect. However in case of any upward revision in brokerage, SBJ MULTICOM will give 15 days advanced intimation to the client. SBJ MULTICOM may intimate the revised rates in writing addressed to the client and by publishing the rate on its back-office website. The client shall intimate its objection(s) if any to the revised brokerage in writing within 15 (fifteen) days of receipt of intimation of the change in brokerage. The Client shall be deemed to have agreed to the change in brokerage rates if he does not intimate any objection thereto within the time prescribed.
- 2.3. Brokerage shall be paid in the manner intimated by SBJ MULTICOM to the Client from time to time together with the GST and statutory levies and duties as may be applicable from time to time on the same.
- 2.4. Without prejudice to the absolute obligation of the Client to pay/reimburse monies to SBJ MULTICOM as set-out above, SBJ MULTICOM shall also be entitled to set-off and appropriate any monies that may be placed with or available with SBJ MULTICOM for and/or on behalf of the Client towards any dues of the Client to SBJ MULTICOM, arising howsoever.

3. Setting up of exposure limits

- 3.1. SBJ MULTICOM shall be entitled to sanction trading limits to the Client based on the upfront margin lying to the credit of the Client in the form of funds / securities / bank guarantees / fixed deposit receipts and such other applicable margin as may be prescribed by regulator or exchanges from time to time to be collected from clients. Other applicable margins means mark to market margin, special margin, additional margin, tender margin, deliver margin or any other margins. SBJ MULTICOM at its sole discretion may refuse to accept any security as collateral/margin. SBJ MULTICOM shall from time to time publish a list of securities which would be acceptable as collateral/margin. In case of non-payment or short payment of any margin, penalty at the rate prescribed by the Regulator / Exchange(s) from time to time shall be levied to the Client on the margin not/short paid by him/her/it. Client accepts and agrees that SBJ MULTICOM may,

at its option, demand higher margins from the Client than the margins required by the Exchanges. In setting exposure limits for the Client, SBJ MULTICOM shall be entitled to consider such factors as it may deem fit, including without limitation, the client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of SBJ MULTICOM and such other factors or conditions which SBJ MULTICOM may consider relevant for the purpose. SBJ MULTICOM reserves liberty to vary the trading/exposure limits of the Client dep its risk as ending upseasonment from time to time having regard to the changes in any of the factors or market conditions bearing on the risk profile of the client.

- 3.2. Neither SBJ MULTICOM nor any affiliate of SBJ MULTICOM nor their respective directors, officers, employees, agents shall in any circumstances be liable for any direct or indirect loss, cost, liability, expense or damage (including without limitation all legal fees and expenses) arising from any variation or reduction of exposure or turnover limits by SBJ MULTICOM.

4. delayed payment and consequences

- 4.1. Notwithstanding anything contained in these presents and without prejudice to margin trading guidelines issued by SEBI, any amounts which are overdue from the Client in any trading segments shall be liable to interest at the rate of 1.5% per month or part thereof or such other rate as may be determined and communicated by SBJ MULTICOM. SBJ MULTICOM is authorized to debit the interest on the outstanding amount in the account of the Client at the end of each month/such other interval as may be decided by SBJ MULTICOM.
- 4.2. Without prejudice to SBJ MULTICOM's other rights and to the extent permissible under Applicable Laws, SBJ MULTICOM shall be entitled to liquidate / close out all or any of the Client positions for non-payment of margin 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.
- 4.3. SBJ MULTICOM shall be entitled to suspend or terminate the member client relationship without prior notice if the Client fails to fulfill his/its payment obligation share under, under the Rights and Obligations / Terms and Conditions mentioned in this document or otherwise due to SBJ MULTICOM. However, that client discharging payment obligations shall not preclude SBJ MULTICOM from terminating the contract or refusing to place trade orders for the client if the client is found to have / be indulged / indulging in any activities which is in violation of the regulations or detrimental to the integrity of the market.
- 4.4. SBJ MULTICOM shall not be obliged to return any money, margin or otherwise to the Client until the Client has satisfactorily discharged all its payment obligations or other obligations as specified in Client Registration Document.

5. SBJ MULTICOM's right to square off:

Without prejudice to SBJ MULTICOM's other rights (including the right to refer a matter to arbitration), in the event of the client failing to maintain/supply immediately on demand applicable margin money required to sustain the outstanding market positions of the client, SBJ MULTICOM shall be entitled, at its option and liberty, to liquidate / close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off. For removal of doubt, it is clarified that SBJ MULTICOM may square off the entire outstanding market interests of the client and the client shall not, as a matter of right, be entitled to reduction of the outstanding positions in stages in order that positions to the extent of available margin are retained in the client's account. Any loss arising from such square off of positions shall be to the account of the client. SBJ MULTICOM may also sell all or any securities / collateral of the client lying with it and adjust the sale proceeds against the client's unpaid dues arising from any transactions, charges, levies, or fees in the client's account including squaring off of client's open market positions due shortage of margin. Any and all losses and financial charges on account of such sale shall be borne by the client. Such liquidation / sale may be without any prior reference or notice to the client. Client shall keep and hold SBJ MULTICOM indemnified and harmless from any loss arising out of such squaring off / sale. Such liquidation or close out of positions shall apply to any segment in which the Client does business with SBJ MULTICOM.

It is the client's responsibility to clear his/her/its payment obligations by T+2 day (T being Trading day) for trades done through SBJ MULTICOM on the Exchange platform. In case Client fails to make full payment for the shares purchased by T+2 day, unpaid shares shall be transferred to the Client's Unpaid Securities

Account CUSA) on the immediately following trading day and if the Client fails to make full payment within the next 5 trading days counted from T+2 day, the same shall be liquidated by SBJ MULTICOM. Only shares fully paid for by T+2 or within the next succeeding 5 trading days shall be credited to the demat account of the Client, so however, if the Client fails to make full payment by T+2 day, SBJ MULTICOM shall be at liberty to liquidate the shares any time after T+2 day without being in any manner obliged to postpone liquidation until T+7 day.

6. **Market and Internal Shortages:**

The Client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in obligation towards a counter party who is a Client of SBJ MULTICOM and delivery of the securities was also not effected through auction in the market (self-auction) for any reason including that self-auction is not permitted on the Exchange, then the contract shall be closed out and the close out price will be higher of:

- a. The highest price for the securities prevailing in NSE or as the case may be BSE on any date commencing from the date of transaction till the day of auction relevant to the trade (auction day) or
- b. The closing price for the securities on the auction day as increased by 3% of the closing price for F & O traded scrip or 7% for other scrip or such other % as may be revised by SBJ MULTICOM from time to time. The amount so determined shall be debited to the account of the Client who defaulted to deliver.

7. **Refusal of Client requests for trades/transactions:**

7.1. SBJ MULTICOM is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any securities / commodity if transaction is not in accordance with its internal due diligence policy and/or the directives and guidelines of the Exchanges and/or the Regulator issued from time to time and the client shall not call in question any decision of SBJ MULTICOM to restrict or refuse transactions on the ground that transactions are not in violation of SBJ MULTICOM's due diligence policy or the directives or guidelines of the Exchange and/or the Regulator or on the ground that the Client has not been put on notice about the securities / commodities on which trade restrictions have been imposed by SBJ MULTICOM. Impose trade restrictions having regard in particular to any one or more of the following factors viz.(i) Market volatility, or (ii) Price sensitive announcements relating to any security /commodity or (iii) Restrictions on trade volume imposed by the Exchange concerned or (iv) Political instability in the country or (v) External aggression or internal rebellion or (vi) Default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the market.

7.2. Refuse to accept or act upon any request/order which in SBJ MULTICOM's sole opinion, amounts to manipulating trades or price manipulation or artificial trade(s) and/ or fraudulent trade(s) or otherwise in breach of applicable laws and/or SBJ MULTICOM's internal policies, without obligation to give the Client its reasons for doing so;

7.3. Close out any transaction which may have been executed but which SBJ MULTICOM was entitled to refuse to execute being contrary to its internal due diligence policies or by reason of any other factors including but not limited to trades being manipulative in nature;

7.4. Disallow any trades or transactions in respect of certain securities/ commodities or segments which may be below/above certain value/quantity as may be decided by SBJ MULTICOM from time to time;

7.5. SBJ MULTICOM may at its sole discretion decline to carry out the instructions for any reason whatsoever.

8. **Suspension and deregistering of Client's Account / Suspension of services:**

8.1. If the Client apprehends that security of his account has been breached, the Client shall by writing to SBJ MULTICOM or by immediately informing to the customer care dept. of the SBJ MULTICOM, request suspension of transactions in the Client's account and SBJ MULTICOM may on receipt of such request suspend transactions in the account. The Client shall ensure pay in of funds and securities in respect of all transactions pending to be settled on or before the respective settlement date(s) and shall compulsorily square off all open derivative positions, failing which SBJ MULTICOM without further reference to the Client shall square off all open derivative positions prior to suspending the account. SBJ MULTICOM reserves the right to report to investigating agencies, the concerned exchange or the regulator, any breach of security or integrity of the account of the client or its misuse in a manner which may be a violation of the applicable rules and regulations and policy of the SBJ MULTICOM, whether on information received from the client or from any reliable source or on such breach coming to its notice on its own investigation. The account of the Client shall, if suspended, remain so suspended until such time as the Client's request in writing for reactivation of the

account is not received by SBJ MULTICOM. Provided always that SBJ MULTICOM may, without prejudice to its other rights to effect recovery of its dues, sell all or any collateral and other securities of the Client lying with it in the Client's account towards full or part recovery of the dues owing by the Client without prior notice or consent of the Client.

8.2. SBJ MULTICOM may at any time, as it considers necessary in its sole discretion & without prior notice to the Client, prohibit, restrict or suspend the Client's access to or use of Services provided to the Client under this document, whether in part or entirely.

8.3. SBJ MULTICOM reserves the right to suspend and deregister the client without prior notice in the event of:

- a. Any breach of the terms of this document.
- b. In the event of infraction of any Rules, Bye-Laws, Regulations of SEBI or the Stock Exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or on the directions of SEBI and/or the Exchanges.
- c. Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the client.
- d. The Client being designated as a defaulter by any credit rating agency or any action or proceedings have been initiated by the relevant regulator/Authority including without limitation SEBI.
- e. Bank account, demat account, securities account of the client being frozen or attached by any court of law or any other competent authority for whatever reason.
- f. The Client having misrepresented facts at the time of registration or at the time of giving instructions or otherwise.
- g. Any proceedings or investigations that involve the Client or his / its properties having been initiated (or is/are ongoing).
- h. The Client fails to fulfill his/its payment obligations under this document or otherwise due to SBJ MULTICOM or
- i. If the Client migrates to a jurisdiction which prohibits trading in Indian Securities or otherwise subjects SBJ MULTICOM or any of its employees to any licensing or registration requirements.

9. **Policy regarding treatment of inactive accounts:**

In case of trading account the term dormant/Inactive account refers to such account wherein no transactions have been carried out since last 12 (twelve) calendar months. The Dormant accounts identified based on the above criteria shall be flagged as such in SBJ MULTICOM's record. SBJ MULTICOM reserves the right to freeze/deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The clients account would be reactivated only after undertaking proper due diligence process and fulfillment of such conditions as may be deemed fit, in the cases where the account has been freeze / deactivated. The client's request through letter/registered email ID / recorded telephone lines may be impressed upon to reactivate the account or carry out any fresh transactions in a dormant / inactive accounts. The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of SBJ MULTICOM from time to time. This Policy for dormant accounts is over and above the transaction monitoring in Dormant account as per Anti-Money laundering Policy of the Company. In case of clients who have credit balance and who are flagged as Dormant, the funds/ securities of such clients are duly flushed out during monthly/quarterly payout of funds and securities.

10. The prevailing policies and Procedures of SBJ MULTICOM in respect of the above said matters shall remain published on its website as may be notified to the Client from time to time and the Client agrees that it is Client's responsibility to access, understand and abide by such policies at all times during the subsistence of the relationship with the client. I agree and understand that SBJ MULTICOM may from time to time at its sole discretion amend or modify the policies and procedures under intimation to me / us.

I/we have read and understood the above mentioned policies and procedures.

Voluntary Freezing of The Online Trading Account

1. INTRODUCTION

This policy outlines the procedures for voluntary referred to as SBJ MULTICOM in accordance with SEBI & Exchange Circulars.

2. PURPOSE.

This policy aims to guide SBJ MULTICOM clients on the process, modes, timelines, and other details for facilitating the voluntary freezing of their trading accounts upon noticing any suspicious activity.

3. SCOPE AND APPLICABILITY

This policy is applicable to all SBJ MULTICOM clients who wish to voluntarily freeze their online trading accounts.

4. REVIEW

This policy is part of SBJ MULTICOM' s Risk Management Policy and shall be reviewed annually by the Board of Directors or earlier if necessary to ensure compliance with regulatory changes.

5. PROCEDURE TO FREEZE ONLINE TRADING ACCOUNT

Using the App:

- Log in to the SBJ MULTICOM application (mobile/ web), go to the Accounts page, and click on the Profile Widget.
- Select the "Temporary Account Freeze" option.
- Follow the on-screen instructions.
- Enter the OTP received via SMS and email for verification.
- Upon entering the correct OTP, the account will be frozen.

Calling a Dedicated Support Line:

- Call SBJ MULTICOM at the dedicated number 9358000981 (between 9:00am – 5:00pm excluding Weekends and public holidays).
- The customer support agent will verify the client's identity and may request additional information.
- Once verified, the agent will freeze the account.

6. PROCEDURE TO UNFREEZE ONLINE TRADING ACCOUNT

- Clients can call the dedicated support line at +91-9358000981 and follow the agent's instructions. After necessary due diligence, the account will be unfrozen within approximately 30 minutes subject to necessary validations.
- After the account has been unfrozen, the client can resume trading.
- Clients will be allowed to trade through both online and offline modes, i.e. call and trade or through AP terminal.

7. IMPORTANT POINTS TO NOTE:

- It is advised that the client closes all his open positions before giving the request for freezing the account.
- Client's account will be blocked, within 15 minutes of receiving the freeze request.
- Confirmation of the freeze of the account will be sent via email and SMS, including process to unfreeze the account.
- All pending orders, whether placed online or offline by the client, will be cancelled by the system and trading access will be blocked.
- Clients will receive details of any open positions along with contract expiry information within an hour of freezing the account.
- Upon freezing, the client will be logged out of the app but can log in for exploratory purposes without the ability to place trades.
- New SIPs will not be executed while the account is frozen.
- Fund addition and withdrawal will be allowed, but profile modifications will not be permitted.
- It is recommended to change the login PIN immediately after freezing the account. This can be done by navigating to Accounts → Settings → Change PIN.
- Clients with open positions can call +91-9358000981 to close them.
- To unfreeze the account, clients can call at +91-9358000981 .
- In case client MTM is 80% or above, all the open positions will be auto squared off as per risk management policy of SBJ MULTICOM.
- In case of margin shortage, client position will be auto squared off to the extent of margin shortage.
- If client's account has a negative balance, their investments will be sold to cover the amount owed.
- Any open position under Intraday product will be auto squared off by the system as per the Intraday product policy.

8. CLARIFICATIONS:

It is clarified that

- Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of SBJMULTICOM. Clients will be liable to adhere to the existing risk policy already in place

- The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

- Client will be able to access the account in frozen state, although trading or profile modification options will be blocked

- Freeze Request once submitted cannot be cancelled. Although the client can call us at +91-9358000981 and place a request for unfreeze.

9. CIRCULAR REFERENCES:

- SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024
- NSE/INSP/61529 dated April 08, 2024
- BSE notice 20240408-12 dated 08 Apr 2024
- MCX/INSP/218/2024 dated April 09, 2024
- NCDEX/COMPLIANCE-025/2024 dated April 09, 2024

RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS/ AUTHORISED PERSON AND CLIENTS as prescribed by SEBI and Stock Exchanges

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

CLIENT INFORMATION

- The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges / SEBI from time to time.
- The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
- The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
- The stock broker & sub-broker/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 stock broker may so disclose information about his client to any person or authority with the express permission of the client.

MARGINS

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

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

14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws & Regulations of the Exchanges and the circulars/notices issued there under.

BROKERAGE

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

LIQUIDATION AND CLOSE OUT OF POSITION

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment / delivery and related aspects by a client. In case where defaulting client is a corporate entity / partnership / proprietary firm or any other artificial legal entity, then the name(s) of Director(s) / Promoter(s) / Partner(s) / Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued there under as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

TERMINATION OF RELATIONSHIP

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

29. In the event of demise/insolvency of the sub-broker / authorized person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker / authorized person by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub broker/ authorized person and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of or der number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with digital signature, encrypted and non-tamper able.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgment of the e-mail in a soft and non-tamper able form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules / regulations / circulars / guidelines issued by SEBI / Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI / stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/emails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI / stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form.

Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.

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

LAW AND JURISDICTION

43. In addition to the specific rights set out in this document, the stock broker, sub-broker/authorized person and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued there under or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker & the client shall abide by any award passed by the Arbitrator(s) under Arbitration & Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars / notices issued there under of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules / regulations / notices / circulars of Exchanges / SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT (All the clauses mentioned in the 'Rights & Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading / securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker.
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies / unauthorized access through his username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username / password in any manner whatsoever.

8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions & dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

ANNEXURE 3 - RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORISED PERSON AND CLIENTS AS PRESCRIBED BY SEBI AND COMMODITY EXCHANGES

1. The client shall invest/trade in those commodities / 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 & the client shall be bound by all the Rules, Byelaws & Business Rules of the Exchange & circulars/notices issued there under & Rules & Regulations of SEBI & 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 commodities and/or deal in derivatives 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 & financial soundness of the client & 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. The level of knowledge, experience & 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.
- *Commodity derivative contract**
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 commodity 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 a periodic basis.
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 commodity 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 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.
- 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.
- b.** 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, unauthorized 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
- c.** "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 & the methods of communication to be used between the Member & 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 commodities derivatives 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 commodity 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 **Classified as Internal** his/its own account or account of any other client and shall not be used by the Member for himself/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 there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and 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 there under.

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 commodity 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 nonpayment 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 & 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 commodities 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/commodities 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 & Business Rules of the Exchanges where the trade is executed and circulars / notices issued there under 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 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 & obtaining a written acknowledgment 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 & in a manner that is likely to be understood by the Client and a written acknowledgment 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 commodity 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 commodity 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. 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 & 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 commodities 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.
37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities 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 immediately but not later than 30 calendar days of receipt thereof, to the Member. A detailed statement of accounts must be sent every month to all the clients in physical form. The proof of delivery of the same should be preserved by the Member.
38. The Member shall send margin statements to the clients on monthly 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 & 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.
 42. "The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI."

ELECTRONIC CONTRACT NOTES (ECN)

43. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member (Kindly refer Appendix A of Annexure 1). Member shall ensure that all the rules / Business Rule / Bye-Laws / circulars issued from time to time in this regard are complied with. The client shall communicate to the Member any change in the emailed 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.
44. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamper able.
45. 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.
46. The Member shall retain ECN and acknowledgment of the e-mail in a soft and non-tamper able 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 / Commodity 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 / Commodity 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/Commodity exchanges.

47. 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 / commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
48. 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.
49. The Electronic Contract Note (ECN) declaration form will be obtained from the client who opts to receive the contract note in electronic form. This declaration will remain valid till it is revoked by the client.

LAW AND JURISDICTION

50. In addition to the specific rights set out in this document, the Member, Authorized 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 there under or Rules of SEBI.
 51. 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 commodity exchanges, where the trade is executed, that may be in force from time to time.
 52. 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.
 53. 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 there under of the Exchanges / SEBI.
 54. 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.
 55. 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 commodity 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.
 56. Members are required to send account statement to their clients every month in physical form.
- INTERNET AND 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 commodities 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/- commodities 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 commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities 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 commodities 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 whatsoever 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/ commodities 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 / commodities 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.

RIGHTS AND OBLIGATIONS RELATING TO MARGIN TRADING FACILITY PROVIDED TO CLIENTS (VOLUNTARY)

1. SBJ MULTICOM is permitted to extend MTF to the clients on such terms and conditions as specified by the Stock Exchanges / SEBI from time to time and as mutually agreed by and between SBJ MULTICOM and the Clients. This Rights and Obligation comprises the terms and conditions applicable to MTF and SBJ MULTICOM and clients shall abide by the same and any other requirements of the margin trading framework, including other rights and obligations, if any, prescribed by the Stock Exchange/ SEBI/ SBJ MULTICOM from time to time. Any modifications to the terms and conditions, other than those prescribed by SEBI/Stock Exchanges, shall be intimated to the Clients giving 15 days notice in advance.
2. Equity Shares that are classified as 'Group I Security' by SEBI only shall be eligible for MTF. SBJ MULTICOM, at its discretion, may not provide funding under MTF to certain equity shares though classified to be "Group I Security" by SEBI. Equity shares short-listed by SBJ MULTICOM for funding (Approved List) shall be as displayed on SBJ MULTICOM.
3. Initial margin, increased margin, margin shortage, margin calls, maximum allowable exposure, maximum stock specific exposure, trade confirmation, square off intimation and such other information in relation to MTF shall be communicated to the Clients electronically over email as well as SMS and / or What's App, mobile notifications. Additionally, subject to the reach ability / accessibility of the client over telephone, the client would be intimated about the margins, square off intimations for margin shortfalls, telephonically, by the Authorized representatives of the trading member.
4. In order to avail of margin facility, the minimum initial margin required to be provided by the Clients, as prescribed by SEBI/Stock Exchanges, is as under: VaR + 3 times of applicable ELM in case of F & O Stocks (i.e., stocks available for trading in the F&O Segment. VaR + 5 times of applicable ELM in case of stocks other than F & O Stocks. VaR and ELM shall mean VaR and ELM as applicable to respective stocks in the cash segment.
5. Client shall be required to provide the minimum initial margin as applicable for a particular stock to buy that stock under MTF. The margin shall never be lower than that prescribed by the Stock Exchange/SEBI. However, SBJ MULTICOM shall have the right to demand a higher initial margin than the margin prescribed by SEBI/Stock Exchanges.
6. Subject to the initial margin as aforesaid, SBJ MULTICOM may, at its sole and absolute discretion, revise and increase from time to time the margin required for any stock permitted to be traded under MTF. Where client has exposure in the stock in respect of which margin has been revised but does not already have sufficient credit in the account to meet increase in margin, Client shall pay margin found short within the time prescribed for making margin payment.
7. Applicable minimum initial margin, increased margin, margin shortfall, if any, can be paid in the form of cash, cash equivalent, or Group I equity shares with appropriate hair cut as specified in SEBI Master Circular No. SEBI/HO/MRD/DP/CIR/P/2016/135, DTD. 16/12/2016. Client shall have the right to change collateral securities provided under the MTF with other collateral securities provided that such other collateral securities are approved and sufficient to meet the margin required.
8. Margin requirement on shares purchased under MTF shall be computed by grossing applicable margin i.e., minimum initial margin plus increased margin, if any, on each stock and shortage computed accordingly by deducting available margin from gross margin. Collateral shares and shares purchased under MTF

(Funded Shares) shall be marked to market daily for the purpose of computing the margin/shortage of margin.

9. Applicable minimum initial margin and increased margin, if any, shall be kept supplied at all times by the clients in respect of the stocks purchased under the MTF. Client shall pay any shortage in the required margin immediately on receiving demand (margin call) and in any case not later than 11.00 P.M on the trade day following the day of making the margin call (prescribed time) failing which SBJ MULTICOM shall be at liberty to liquidate the funded shares and/or collateral shares to recover the dues outstanding in the account of the Clients. In case of extreme volatility in the market, SBJ MULTICOM may demand payment of margin forthwith and prescribed time for making margin payment shall be construed accordingly. Decision of SBJ MULTICOM in relation to market volatility shall be final and binding on the client.
10. If required margin is not provided within the prescribed time, Client shall be treated as client in margin default and consequent action, in lines with the Risk Management policy of the company to follow.
11. Client in margin default shall continue to be in margin default, until the required margin is furnished in full to eliminate the shortage. Partial payment of margin or a change in the required margin shall not extend the time stipulated for making margin payment which will run from the time of making margin call to the Client.
12. In case margin is reduced by an amount equal to applicable ELM component of the total margin due to market volatility within a trading day (i.e., available margin becomes equal to or less than applicable VAR margin), SBJ MULTICOM reserves the right to liquidate the collaterals and/or funded shares forthwith without prior notice to the client.
13. If any shares are de-listed from SBJ MULTICOM Approved List, Client shall be required To make payment of full purchase consideration against such shares, within such Reasonable period as prescribed from time to time in the Risk Management policy/ guidelines, after being intimated by SBJ MULTICOM failing which SBJ MULTICOM shall be at liberty sell such shares without further notice to the Client.
14. SBJ MULTICOM shall be entitled to liquidate such amount of collateral and/or funded shares to the extent of the funded amount under MTF and recover the Unpaid outstanding dues thereon and the priority of shares to be liquidated shall depend on the parameters set forth in the Risk Management policy of the company as applicable from time to time.
15. In case of death of a client, SBJ MULTICOM shall be entitled to liquidate the collateral and funded shares to the extent of the funded amount under MTF and recover the unpaid outstanding dues thereon and the priority of shares to be liquidated shall depend on the parameters set forth in the Risk Management policy of the company as applicable from time to time.
16. Any loss arising from liquidation of the shares shall to be account of the Client. Client shall forthwith pay SBJ MULTICOM any unpaid dues outstanding in the account after liquidation of the shares.
17. SBJ MULTICOM reserves the right to withdraw MTF with respect to any Client without assigning any reason after giving a reasonable notice to the Client in which case dues if any outstanding in the account of the Client shall become payable immediately. Failure to make payment of the outstanding dues shall result in liquidation of collateral and/or funded shares to the extent of the funded amount under MTF and recover the unpaid outstanding dues thereon and the priority of shares to be liquidated shall depend on the parameters set forth in the Risk Management policy of the company as applicable from time to time.
18. Client may terminate the MTF account after paying all dues in the MTF account.
19. SBJ MULTICOM shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.
20. The stocks deposited as margin collateral and funded stock shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.
21. SBJ MULTICOM may at its option allow client to buy further shares under MTF on the basis of increase in the value of collateral shares, subject to applicable hair cut. Further purchase shall not be permitted on the basis of increase in the market value of funded shares.
22. SGF and IPF shall be available for transactions done on the exchange, whether through normal or margin trading facility. However, any losses suffered in connection with the margin trading facility availed by the client from the stock broker shall not be covered under IPF.
23. SBJ MULTICOM shall restrict the maximum gross exposure as well as individual stock-wise exposure of a client under the MTF at any point in time according to its internal policies and market views without assigning any reasons to the client. Furnishing applicable margin shall not by itself entitle the client to seek exposure beyond the limit restricted by SBJ MULTICOM.
24. Admitting clients for MTF shall be at the discretion of the Stock Broker/Trading Member. Clients request for admission to MTF may be disallowed without assigning any reason.
25. By agreeing to avail of MTF, the client shall be deemed to have authorized SBJ MULTICOM to retain and/or pledge the shares purchased under MTF (funded shares) and collateral shares provided as margin till the amount due in respect of the purchase and all other dues are paid in full by the Client.
26. All outstanding dues under MTF shall carry interest @18% p.a, compounded at fortnightly rest.
27. Outstanding dues shall not be carried in the books beyond 90 days from the date of accrual and in case Client fails to pay up the dues within the said 90 days, collateral and/or funded shares shall be sold to liquidate the dues, after intimating the client of the same, electronically or telephonically, even though applicable margin is available in the MTF account of the Client. For this purpose, 90 days shall be computed with respect to each debit entry in respect of

purchases under MTF separately and liquidation shall be carried out accordingly. SBJ MULTICOM shall have discretion to sell any stock/stocks to liquidate the outstanding dues older than 90 days.

28. Client shall be free to take delivery of the shares purchased under MTF anytime, but not later than 90 days, from the date of funding by making full payment of the outstanding dues in relation to the shares purchased.
29. Until full payment of the outstanding dues in the MTF A/c is made by the Client, collateral shares and funded shares, as far as may be required, shall be retained in the Demat A/c of SBJ MULTICOM, separately identified as collateral shares and funded shares.
30. Daily margin statement sent to the MTF clients shall identify margin/collateral for MTF transaction separately.
31. MTF account where there is no transaction under MTF for more than 90 days shall be settled immediately on expiry of said 90 days provided there are no dues outstanding in the MTF account. Dues if any outstanding in the normal trading account shall be first adjusted against the settlement amount and the remainder shall be paid to the Client.
32. SBJ MULTICOM shall declare and communicate to the Client risk management policies that it will follow with respect to MTF transactions. SBJ MULTICOM may amend the policies from time to time according to its risk perceptions and inform the Clients of the amendments made.
33. Any disputes arising between the client and SBJ MULTICOM in connection with the margin trading facility shall be resolved through the investor grievance redresses mechanism and/or arbitration mechanism of the stock exchanges as in the case of normal trades.
34. The Rights and Obligations prescribed hereinabove shall be read in conjunction with the rights and obligations as prescribed under SEBI circular No. CIR/MIRSD/ 16/ 2011 dated August 22, 2011, SEBI Circular No . CIR/MRD/DP/54/2017 Dtd. June 13, 2017, the Circulars relating to MTF issued by the respective Stock Exchanges, any modifications thereto from time to time and the Policies and Procedures prescribed by SBJ MULTICOM and the terms and conditions of client's agreement with SBJ MULTICOM. In case of any inconsistencies between the Rights and Obligations herein and the provisions in the aforesaid SEBI and/or Stock Exchange Circulars, the later shall prevail to the extent of such inconsistencies..

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS (EQUITIES & COMMODITIES)

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

Exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Exchanges / SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading. You should, therefore, study derivatives 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 relationship into which you are entering and the extent of your exposure to risk.

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

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

Exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of exchanges and/or any third party based on any information

contained in this document. Any information contained in this document must not be construed as business advice/investment advice. No consideration to trade should be made without thoroughly understanding & reviewing risks involved in such trading. If you are unsure, you must seek professional advice on the same. In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following: Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

1. BASIC RISKS:

- 1.1 **Risk of Higher Volatility:** Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in actively securities /commodities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.
- 1.2 **Risk of Lower Liquidity:**
 - a. Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts Purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.
 - b. Buying / Selling without intention of giving and / or taking delivery of certain commodities may also result into losses, because in such a situation, commodity 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 commodities.
- 1.2.1. Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract
- 1.3 Risk of Wider Spreads: Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.
- 1.4 Risk-reducing orders: The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders. 1.4.1 A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.
 - 1.4.2. A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.
 - 1.4.3. A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre -determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the predetermined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.
- 1.5 Risk of News Announcements: News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.
- 1.6 Risk of Rumors: Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

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

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

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

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

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

2.1 Effect of "Leverage" or "Gearing": In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin / principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

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

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

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

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

2.2 Currency specific risks:

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

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

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

2.3 Risk of Option holders:

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

expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.

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

2.4 Risks of Option Writers:

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

2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and there by assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

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

3. **TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:** Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology / smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. GENERAL:

4.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.

4.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.

4.III. For rights and obligations of the Members/Authorized Persons/ clients, please refer to Annexure 1.

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

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

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

BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges www.nseindia.com / www.bseindia.com / www.mcx-sx.com and SEBI website www.sebi.gov.in.

2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.

3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.

4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.

5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.

6. Obtain a copy of all the documents executed by you from the stock broker free of charge.

7. In case you wish to execute Power of Attorney (POA) in favor of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favor of the stock broker. Don't issue cheques in the name of sub broker / authorized person. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
 - a. Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b. The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain these tensions of funds and securities and the details of the pledged shares, if any.
 - c. On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds / securities / margin to the extent of value of transactions executed on the day of such settlement in the cash market.
 - d. You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub broker/ authorized person then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
20. Note that all the stock broker/sub-brokers/authorized person have been mandated by SEBI to designate an email ID of the grievance redresses division/compliance officer exclusively for the purpose of registering complaints

DEMAT ACCOUNT DO's & DON'Ts

Do's

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
2. Intimate any change of address or change in bank account details to your DP immediately.
3. Check the investor service record of the issuer company with your DP before deciding to send certificates for demat. The list of companies whose demat request are pending is published at www.cdslindia.com.
4. Before sending securities for demat, record the distinctive numbers of the securities sent.
5. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre stamped on all the pages along with the serial numbers.
6. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker.
7. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
8. Strike out the empty space, if any, in the DIS, before submitting to DP.
9. Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s).
10. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
11. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures in case of sole account holders.
12. 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 and once a quarter if there have been no transactions in your account.
13. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
14. Register for CDSL's SMS Alert facility - SMART and obtain alerts for any debits in your demat account.
15. CDSL sends alerts to investors on their registered mobile number through SMS and email for any modification done in their master details, debit in demat account, pledge creation, change in nominee etc.
16. Pay attention to SMS's and emails regularly sent by CDSL. If you receive an SMS for a transaction not executed by you, inform your DP/CDSL immediately
17. Inform your DP of 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 updating in system.
18. PoA is not mandatory for opening a demat account.
19. Protect your login details and do not share login credentials with anyone. Password should be unique. Keep strong and complex passwords and change the password at regular intervals.
20. Do not share One Time Password (OTP) received from your DP/ CDSL. These are meant to be used by you only.
21. Do not share login credentials of e-facilities provided by CDSL such as e-DIS, easiest etc. with anyone else.
22. Do not download any unknown application on your phone / device. The application may access your confidential data secretly.
23. Exercise the option to freeze the Demat account if not being used for long duration
24. Register for CDSL's Internet based facility "easi" to monitor your demat account yourself. Contact your DP or visit CDSL's website: www.cdslindia.com for details.
25. In order to receive all the credits coming to your demat account automatically, you can give a onetime, standing instruction to your DP.
26. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.
27. Signatures can be in English or Hindi or any of the other languages contained in the 8th Schedule of the Constitution of India. Thumb impressions & signatures other than the above mentioned languages must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate / Special Executive Officer under his/her official seal.
28. Signatures should be preferably in black ink.
29. Details of the Names, Address, Telephone Number(s), etc., of the Magistrate / Notary Public /Special Executive Magistrate / Special Executive Officer are to be provided in case of attestation done by them.
30. In case of additional signatures (for accounts other than individuals), separate annexure should be attached to the account opening form.
31. In case of applications containing a Power of Attorney, the relevant Power of Attorney or the self certified copy thereof, Name of the POA, Signature of the POA, must be lodged along with the application.
32. All correspondence / queries shall be addressed to the Sole / First Applicant only.
33. Strike off whichever is not applicable.
34. Ensure that all demat account holder(s) sign on the DIS.

Don'ts

35. Do not leave your instruction slip book with anyone else.
36. Do not sign blank DIS as it is equivalent to a bearer cheque.
37. Avoid over-writing, cancellations, misspellings, changing of the name and quantity of securities.
38. We request you to meticulously follow the above instructions, to avoid any problem in operation of your demat account.

ANNEXURE 4 – 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 at the following link <http://www.mcxindia.com> /Site Pages /Members___Details.aspx and <http://www.ncdex.com> /Membership/MemDirectory.aspx 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 <http://www.mcxindia.com/> Site Pages/Trade Verification.aspx and <http://www.ncdex.com> /Market Data/ Verify Trade.aspx. 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 commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand & 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 / Commodity exchanges.
23. Make the payments by account payee cheque in favor of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank / demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank / demat account.
24. The payout of funds or delivery of commodities (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 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/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity 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 Commodity 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 commodity 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 commodity derivatives market 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 / Authorized Person then you may take up the matter with the concerned Commodity 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, rumors, 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 commodities 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 commodities, 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.

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.

Beneficial Owner Information

3. 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.
4. 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

5. 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".
6. 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.
7. 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

8. 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

9. 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.
10. 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

11. 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.
12. 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.
13. "The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI."

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, 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.
23. 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

24. 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.
25. 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.

Redresses of Investor grievance

26. 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

27. 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

28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. 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.

DETAILS OF TERMS & CONDITIONS FOR THE INVESTOR / CLIENT FOR USING MUTUAL FUND TRANSACTION FACILITY

1. Pre-requisites for becoming Client/Investor for Mutual Fund Transaction Facilities:

- a. The client who is desirous of investing in units of mutual fund schemes through the Mutual Fund Transaction Facilities available at the Exchanges platform.
- b. The Client intends to execute his instruction for the subscription/redemption of units of Mutual Fund Schemes through the broker who is a Mutual fund Intermediary (MFI) / Participant (hereinafter referred as SBJ MULTICOM) of the Mutual Fund Transaction Facilities.
- c. The client has satisfied itself of the capacity of SBJ MULTICOM to deal in Mutual Fund units and wishes to execute its instruction through SBJ MULTICOM and the client shall from time to time continue to satisfy itself of such capability of SBJ MULTICOM before executing transacting through SBJ MULTICOM.
- d. The Client has approached to SBJ MULTICOM with the application for availing the Mutual Fund Transaction Facilities.
- e. The client has submitted relevant KYC (Know Your Client) details to the SBJ MULTICOM.

2. Terms and Conditions

- a. The client shall be bound by circulars issued by the Exchanges, Rules, Regulations and Notices/circulars issued there under by SEBI and relevant notifications of Government authorities as may be in force from time to time.
- b. The client shall notify SBJ MULTICOM in writing if there is any change in the information in the 'client registration form' provided by the client to SBJ MULTICOM at the time of registering as a client for participating in the Mutual Fund Transaction Facilities or at any time thereafter.

- c. The client shall submit to SBJ MULTICOM a completed application form in the manner prescribed format for the purpose of placing a subscription order with SBJ MULTICOM.
- d. The client has read and understood the risks involved in investing in Mutual Fund Schemes.
- e. The client shall be wholly responsible for all his investment decisions and instruction.
- f. The client shall ensure continuous compliance with the requirements of the Exchanges, SEBI and AMFI.
- g. The Client shall pay to SBJ MULTICOM fees 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 SBJ MULTICOM renders to the Client.
- h. The client will furnish information to SBJ MULTICOM 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 him or if any litigation which may have material bearing on his capacity has been filed against him.
- i. In the event of non-performance of the traded obligation by SBJ MULTICOM, the client is not entitled to claim any compensation either from the Investor Protection Fund or from any fund of Exchanges or its Clearing Corporation.
- j. In case of any dispute between the SBJ MULTICOM and the investors arising out of Mutual Fund Transaction Facilities Exchanges and/or Clearing Corporation agrees to extend the necessary support for the speedy redresses of the disputes.

3. Additional Terms and conditions:

- a. Mutual fund Transaction Facilities provided by SBJ MULTICOM shall be available for the units of the eligible schemes which are in dematerialized form. The said facility shall not be provided for the units of the schemes which are not available in dematerialized form.
- b. Fees: SBJ MULTICOM reserves the right to charge such fees from time to time as it deems fit for providing the services to the Client and the Client agrees and undertakes to pay fees / brokerage and statutory levies /charges as may be levied by SBJ MULTICOM from time to time.
- c. The Client agrees and understands that SBJ MULTICOM is only a facilitator for the client for applying in the Mutual Fund units. Allotment of units shall be at the sole discretion of the respective Asset Management Company ("AMC") and the SBJ MULTICOM shall not be held liable or responsible for any act/ deed / non-action of the AMC.
- d. The Client agrees and undertakes to provide funds to SBJ MULTICOM equivalent to the subscription amount and applicable brokerage/ fees / charges before applying for mutual fund units through the SBJ MULTICOM. The client further agrees and authorizes the SBJ MULTICOM to utilize the surplus funds in the client's Broking account held with the SBJ MULTICOM in its capacity as a Stock Broker and transfer funds to the extent of subscription amount and / or applicable brokerage, fees and charges (in case of both subscription and redemption) to meet the trade related debit in the clients Mutual fund transaction account.
- e. The Client and SBJ MULTICOM agree to refer any claims and / or disputes to the Arbitration under the Indian Arbitration and Conciliation Act, 1996.
- f. The Client have read and understood the terms and conditions mentioned above and agree to abide by them and any amendments thereto made by SBJ MULTICOM from time to time which will be intimated in writing.

4. Internet based trading facility:

- a. Client is fully aware about the features, risks, responsibilities, obligations and liabilities associated with internet based trading facility and same has been brought to client notice by SBJ MULTICOM for Mutual Fund Transaction Facilities.
- b. 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 internet based trading facility offered by SBJ MULTICOM and undertakes to ensure that the password will not be revealed to any third party including employees and dealers of the SBJ MULTICOM.
- c. Client shall immediately notify SBJ MULTICOM in writing if client forgets password, discovers security flaw in internet based trading facility, discovers/suspects discrepancies/ unauthorized access through client username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
- d. Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet based trading facility and shall be fully liable and responsible for any and all acts done in client's Username/password in any manner whatsoever.
- e. Client is fully aware that trading over the internet based trading facility involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The SBJ MULTICOM and the Exchange do not make any representation or warranty that internet based trading facility will be available to client at all times without any interruption.
- f. Client shall not have any claim against the Exchange or the SBJ MULTICOM on account of any suspension, interruption, non-availability or malfunctioning of internet based trading facility offered by SBJ MULTICOM or Service or the Exchange's service or systems or non-execution of client's orders due to any link/system failure at client/ or SBJ MULTICOM or Exchanges end for any reason.

IMPORTANT NOTE REGARDING FATCA-CRS DECLARATION / SELF CERTIFICATION FOR INDIVIDUAL

What is FATCA / CRS?

The U.S. government introduced the Foreign Account Tax Compliance Act, 2010 (FATCA) for obtaining information on accounts held by U.S. taxpayers in other countries. Further, Organization for Economic Co-operation & Development (OECD) and G20 countries agreed for automatic exchange on information through Common Reporting Standards (CRS). The Government of India has signed an Inter- Government Agreement (IGA) with US and has also joined the Multilateral Competent Authority agreement (MCAA) for automatic sharing of information with member countries of OECD and G20. By virtue of India signing an IGA with US and joining MCAA, Indian financial institutions will have to provide the required financial information to Indian tax authorities which in turn would forward reportable information to US IRS and member countries of OECD and G20 countries. In order to implement FATCA and CRS norms in India, SBJ MULTICOM is required to implement procedures to identify U.S. account holders or other jurisdictions reportable accounts, perform due diligence and obtain documentary evidence wherever required and report details of such accounts to relevant tax authority.

US Person means:

In case of individuals, U.S. person means a citizen or resident of the United States. Persons who would qualify as U.S. persons could be born in United States, born outside the United States of a US parent, Naturalized citizens, Green Card Holders, tax residents.

Who is Reportable Person (Non US) under Common Reportable Standards (CRS)?

Under Common Reportable Standards (CRS), reportable person means Tax residents of a reportable foreign jurisdiction other than U.S. (Please note the above information is provided only for quick reference to customers. You are requested to consult a legal/ tax advisor if in doubt.)

Documents to be collected if Customer's Country of birth is U.S. but declare that he/ she are not a U.S. person:

1. Certificate of relinquishment of citizenship (Loss of nationality certificate); OR
2. Self-certification for stating reasons for not having such a certificate despite relinquishment U.S. citizenship; OR
3. Self-certification for stating reasons for not obtaining U.S. citizenship at birth.

Investor Charter (STOCK BROKER)

Mission

- To provide transparent, equitable and reliable markets with timely and accurate information dissemination for investors.
- To provide the highest standards of investor education, investor awareness and investor protection and timely services.

Vision

- To provide a safe, equitable, transparent and trusted platform for investors to participate across asset classes with highest standards of integrity for investors.

SERVICES PROVIDED BY THE EXCHANGES TO INVESTORS

The services to investors include:

1. Information on the companies listed on the exchange platforms that includes:
 - Real time dissemination of price sensitive corporate information viz. Financial Results, Shareholding Pattern, Corporate Announcements, queries raised on media report etc.
 - Disclosures made by companies/acquirer/promoter relating to takeover Regulations and Insider Trading Regulations, pledge on securities.
 - Information relating to book building during IPOs, Offer for Sale, offer to buy.
 - Details of companies defaulting on compliance, suspended and delisted. → <https://www.nseindia.com/regulations/listing-compliance>
2. 'Investor Page' on the website of exchanges:
 - A dedicated page on the exchange website which provides detailed information for all its clients on various aspects viz Investor educational and awareness publication, Details on how to file complaints, trade Verification details, Schedule of investor awareness programs, address & contact details of Investor Service Centers etc. → <https://www.nseindia.com/invest/investors-home>
3. Other services to investors, that includes:
 - Welcome Message on New client registration containing the Do's & Don'ts for Investors.
 - Daily update for Trades executed on the Exchange.
 - Weekly updates on balances of client funds and securities with the respective Stock Brokers.

- Monthly advisory message to all active clients.
- Daily Advisory to investors through trading terminals.

Grievance Redressal Mechanism

- Mode of filing the complaints
- Complaints can be lodged on the Exchange in the following ways
1. Through SCORES 2.0 (a web based centralized grievance redressal system of SEBI) [https://scores.sebi.gov.in]
 - Two Level Review:
 - a. First review done by Exchange
 - b. Second review done by SEBI
 2. Emails to designated email IDs of Exchange: nseiscvijayawada@nse.co.in nseiscvizag@nse.co.in
 3. Through SMARTODR (https://smartodr.in/login) dedicated for the filing of complaint.

- Regarding documents required for complaint resolution,

Documents to be submitted by the Trading Member	Documents to be submitted by the Investor
Non Receipt / Delay	
Funds	
On sale of securities	
1. Ledger account 2. Copies of contract notes 3. If paid- proof of payment 4. Reason for delay of payment, if any 5. KYC document	1. Contract notes 2. Bills 3. Statement of account for the relevant transactions/period 4. Delivery details by way of demat transaction statement 5. Break Up of claim amount 6. KYC document
Margin Deposit	
1. Fund Deposit 2. Ledger account 3. Margin statement 4. If paid- proof of payment 5. Reason for delay of payment, if any 6. KYC document	1. Proof of payment (copy of passbook of the bank account or bank confirmation letter) 2. Statement of account for the relevant transactions/period 3. Break Up of claim amount
Debit/Credit Balance	
1. Ledger account 2. If paid- proof of payment 3. KYC document 4. Reason for delay of payment, if any	1. Statement of account for the relevant transactions/period 2. Proof of payment (copy of passbook of the bank account or bank confirmation letter) 3. Break Up of claim amount
Securities	
Purchase of Securities	
1. Ledger account 2. Contract note 3. Margin statement 4. If delivered- Demat details for delivery, transaction statement reflecting transfer of securities to the client 5. KYC document 6. Reason for delay of transfer, if any	1. Contract notes 2. Statement of account for the relevant transactions/period 3. Demat account transaction statement 4. Proof of payment (copy of passbook of the bank account or bank confirmation letter) 5. Break Up of claim amount
Margin Securities	
Documents to be submitted by the Trading Member	Documents to be submitted by the Investor
1. Ledger account 2. Demat Statement in case of delivery 3. Margin statement 4. If delivered- Demat details for delivery, transaction statement reflecting transfer of securities to the client 5. KYC document 6. Reason for delay of transfer, if any	1. Demat Transaction Statement 2. Statement of account 3. Break Up of claim amount
Corporate benefit	
Corporate benefits on securities kept with Trading Member	
1. Policy document for dealing in corporate benefits 2. Ledger Account 3. Demat transaction statement 4. KYC document 5. Reason for delay of transfer, if any	1. Statement of account 2. In case securities have been delivered for margin purpose i. Demat Transaction Statement 3. In case securities have been purchased and continue to be in possession of the trading member i. Contract Notes ii. In case of payments made for purchase of securities: proof of payment (copy of passbook of the bank account or bank confirmation letter) 4. Break Up of claim amount
Documents - Contract Notes/Account statement/Agreement copy/Bills	
If documents were sent by the trading member 1. Copy of the document not received by the investor as per the complaint 2. Proof of delivery - date, courier name & acknowledgement by investor 3. In case documents sent in electronic form proof of the same 4. KYC document	Proof of registration with the trading member 1. Know your client form/ member constituent agreement (MCA)/ risk disclosure document

Trade related	
Unauthorized Trades	
1. KYC document 2. Pre-order Voice recordings/ proof of placing orders 3. Proof of delivery of contract note - Physical POD or ECN log	1. Contract notes and bills or copies thereof 2. Statement of account 3. Demat account transaction statement 4. Proof of payment
Documents to be submitted by the Trading Member	
Documents to be submitted by the Investor	
4. Details of payment made and securities delivered in the intermittent period 5. Proof of delivery of margin statement, ledger statement, SMS log 6. Copy of register of securities for the relevant period 7. Proof of monthly / quarterly settlement done 8. If orders placed online, then proof of the same. 9. Ledger Account 10. Contract Note for the disputed trades 11. Any other documents substantiating your stand	5. Copy of KYC document duly acknowledged by TM 6. Break Up of claim amount 7. Details of Disputed Trade(s)
Closing off/Square up of positions without consent	
1. KYC document 2. Voice recordings of margin calls made 3. Proof of delivery of contract note - Physical POD or ECN log 4. Details of payment made and securities delivered in the intermittent period 5. Proof of intimation by investor 6. Proof of communication sent to the complainant regarding margin shortfall 7. Copy of the detailed policy and procedure regarding RMS selling details and proof of its communication to the complainant. 8. Copy of Contract Note 9. Any other documents substantiating your stand	1. Contract notes and bills or copies thereof 2. Statement of account 3. Margin statement 4. Proof of intimation by the TM 5. Demat account transaction statement 6. Proof of payment 7. Break Up of claim amount 8. Details of Disputed Trade(s)
Non-Settlement of Accounts	
1. Proof of settlement 2. In case of non-settlement of Funds- ledger statement 3. In case of non-settlement of securitiesDMAT account transaction statement 4. KYC document	1. Statement of account 2. Break Up of claim amount
Charges	
Brokerage/Charges	
For Excess brokerage 1. KYC documents mentioning rate agreed or any other agreement copy 2. Contract notes 3. Proof of Tariff sheet acknowledged by client 4. Calculation of brokerage for the disputed trade	For Excess brokerage 1. Contract notes and bills or copies thereof 2. Proof of payment of brokerage 3. KYC documents mentioning rate agreed 4. period of dispute 5. Break Up of claim amount
Levying of unwarranted charges/ penalties 1. Basis of Levy 2. Ledger statements 3. KYC document	For Levying of unwarranted charges/penalties 1. Contract notes 2. Bills 3. Ledger statements/Proof of payment 4. Break Up of claim amount
Order Execution	
Non-Execution	
If order placed and not executed due to any reason- proof of the same 1. Order cum trade log for the disputed trade 2. Ledger statement / margin statement (to check funds are sufficient) 3. KYC document 4. Reason for non-execution of order	1. Proof of order placement 2. Break Up of claim amount
Wrong Execution	
1. Voice recording 2. Proof that the order was placed correctly 3. Order cum trade log for the disputed trade 4. Contract Note 5. Proof of delivery of contract note - Physical POD or ECN log 6. SMS log for trade confirmations 7. Contract Note for the disputed trades 8. KYC document	1. Proof of order placement 2. Contract notes 3. Break Up of claim amount

- Process flow for Complaint Resolution Process through Scores 2.0

<<refer to Schedule III of the SEBI Circular dated September 20, 2023>>

Online Dispute Resolution (ODR)

1.	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	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. [SMARTODR]
2.	Steps to be followed in ODR for Review, Conciliation and Arbitration	<ol style="list-style-type: none"> Investor to approach Market Participant for redressal of complaint If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options: May escalate the complaint on SEBI SCORES portal. (In this scenario the above steps shall prevail) May also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the Market Participant and investor within 21 days. If the matter could not be amicably resolved, then to the matter shall be referred for conciliation. During the conciliation process, the conciliator will endeavour 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. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration. 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. If the parties are not satisfied with the arbitration award, option to file u/s 34 of Arbitration and Conciliation Act, 1996.

Rights and Obligations of investors

Rights of investors

- Get a copy of KYC and other documents executed
- Get Unique Client Code (UCC) allotted
- To place order on complying with the norms agreed to with the Broker
- Get best price for trade execution
- Receive various SMS, emails and information from stock brokers regarding trade confirmations
- Get Contract notes for trades executed from the broker in the specified format given by the Exchange showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of your trades.
- Receive funds and securities / commodities on time within 24 hours from payout
- Receive statement of accounts from stock broker at least once in a quarter / month from your Stock broker
- Settlement of accounts as per terms of agreement
- Get the details of Principal Officer/Compliance Officer of the stock broker
- Get information of all the businesses done by the stock broker
- To receive all benefits/ material information declared for the investors by the Company
- Prompt services from the Company such as transfers, dematerialization, Subdivisions and consolidation of holdings in the Company.
- As an equity holder have a right to subscribe to further issue of capital by the Company.
- To approach nearest Regional Investor Service Centre's of Exchanges for lodging a complaint/ file arbitration claim.
- To Complaint and dispute resolution mechanism against stock broker or listed company
- Raise queries on excess brokerage and other charges charged by stock brokers
- File arbitration against stock broker for disputes
- Challenge the arbitration award before court of law

Investor Obligations to :-

- Execute Know Your Client (KYC) documents and provide supporting documents
- Understand the voluntary conditions being agreed with the stock broker before signing the Account opening form
- Understand the rights given to the stock broker
- Read Risk Disclosure Document carefully
- Carefully consider all investment risks, fees and/or other factors explained in these documents
- Understand the product and operational framework and deadlines related to various Trading and Clearing & Settlement processes.
- Be fully responsible for investment decisions
- Keep contact details viz Mobile number / Email ID updated with the stock broker and Depository Participant
- Verify details of trades and approach relevant authority for any discrepancies immediately
- Verify bank account and DP account statement for funds and securities / commodities movement
- Review contract notes and statement of account
- Thoroughly read and retain monthly account statements, confirmations and any other information you receive about your investment transactions
- Pay margins

- Pay funds and securities / commodities for settlement on time
- Pay brokerage/statutory levies as agreed to stock broker for their trading
- Obtain receipt for collaterals deposited with the Member towards margins.
- Take up complaint within reasonable time
- Complaint to be supported by appropriate documents
- When additional information is called for, provide the same
- To participate in resolution meetings

Guidance pertaining to special circumstances related to market activities: Default of trading Members (TMs)

- When a TMs defaults, the Exchange carries out the following steps for benefit of investor:
 - Dissemination on Exchange website with regard to the default of the TM.
 - Issue of Public Notice informing declaration of default by a TM and inviting claims within specified period.
 - Intimation to clients of defaulter TMs via Emails and SMS for facilitating lodging of claims within specified period.
- Following information made available on Exchange Website for information of Investors:
 - Norms for eligibility of claims for compensation from IPF.
 - FAQ on processing of investors' claims against defaulter TM.
 - Form for lodging claim against defaulter Broker
- Standard Operating Procedure (SOP) for handling of Claims of Investors in the Cases of default by TMs
 - Provision to check online status of claims on Exchange Website.
 - Claim processing policy against Defaulter/Expelled TMs.
 - List of Defaulter/Expelled TMs and public notice issued.
- Standard Operating Procedure (SOP) for Handling of Claims of Investors in the Cases of Default by Stock Brokers

Sr.no.	ACTION	TIMELINE
1.	Disablement of the TM	T day
2.	Information to investors about disablement of the TM on website and through SMS and email	T+1 day
3.	Pre-filled forms to be sent to clients providing information regarding balances with the TM (only in case of SOP trigger)	T+15 days
4.	Claim lodgement Clients to fill the claim form and provide the supporting documents	T+ 75 days
5.	Declaration of Default by the TM	T+120 days
6.	Information to investors about default of TM on website, through SMS, email and newspapers.	Within 3 working days from the date of declaration of defaulter
7.	Processing, auditing and settlement of claims	Within 60 days of receipt of the claim form from the clients post declaration of default and T+135 days where pre-filled forms are received.
8.	Request for review of the claim by client	Within 90 days of receipt of intimation of the decision of the IPFT from the stock exchange
9.	Processing, auditing, and settlement of review claims	Within 60 days of receipt of review application.
10.	Request for 2nd review of the claim by client	Within 90 days of receipt of intimation of the decision of the IPFT from the stock exchange
11.	Processing, auditing, and settlement of review claims	Within 60 days of receipt of review application.

Dos and Don'ts- Advisory for Investors

Do's of Investing:

- Deal only with registered intermediaries - check the registration certificate of the intermediary you are dealing with. It allows recourse to regulatory action.
- Read all mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stockbroker.
- Be informed about brokerage, commissions, fees, other charges levied by broker
- Read, understand and then sign the voluntary clauses
- Check for all conditions that have been agreed and accepted by you
- Ensure to fill all the required details in "Account Opening Form" / Know Your Client Form (KYC) by yourself and receive duly signed copy of your 'KYC' documents from your stock broker. Always keep your contact details viz Mobile number / Email ID updated with the stock broker. You may take up the matter with Stock Broker / Exchange if you are not receiving the messages from Exchange / Depositories regularly.
- Opt for electronic (e-mail) contract notes/financial statements only if you are computer savvy and have an e-mail account of your own
- Ensure that pay-out of funds/securities/commodities is received in your account within 1 working day from the date of pay-out.
- Make payments only through the banking channel and issue cheque in favour of stock broker only.
- Trade verification facility is also available on Exchange website which you can use to verify your trades
- Be careful while executing the PoA (Power of Attorney) - specify all the rights that the stock broker can exercise and timeframe for which PoA is valid. It may be noted that PoA is not a mandatory requirement as per SEBI / Exchanges.

- Register for online applications viz Speed-e and Easiest provided by Depositories for online delivery of securities as an alternative to PoA.
 - Ensure that you receive Contract Notes within 24 hours of your trades and Statement of Account at least once in a quarter / month from your Stock Broker
 - If you have opted for running account, please ensure that the stock broker settles your account regularly and in any case not later than 90 days (or 30 days if you have opted for 30 days settlement).
 - Regularly login into your account to verify balances and verify the demat statement received from depositories for correctness. Regularly verify Consolidated Accounts Statement (CAS) received from Depositories and reconcile with your trades / transactions.
- Keep Delivery Instruction Slip (DIS) of your Demat account safely. Do not hand over blank signed DIS slips to any-one.
- Check messages sent by Exchanges on a weekly basis regarding funds / securities / commodities balances reported by the stock broker and immediately raise a concern, if you notice a discrepancy.
 - If you observe any discrepancies in your account or settlements, immediately take up the same with your stock broker in writing within 7 (seven) working days from date of receipt of the statement. If the Stock Broker does not respond, take up the matter with the Exchange/Depositories.
 - If in doubt, revoke any authorization given by you at any time.
 - Beware of fixed/guaranteed returns schemes. Brokers or any of their representatives are not authorized to offer fixed/guaranteed returns on your investment or enter into any loan agreement to pay interest on the funds/securities/commodities offered by you.
 - Do your own study about the fundamentals of the company whose shares you are buying.
 - Attend various Investor Awareness Programs held by SEBI/ Exchanges/ Depositories for awareness of various changes in the markets.

Relating to Mutual Funds:

- Gauge your risk profile based on income, cash flow, ability to sustain financial risks before investing in a fund
- Work out your asset allocation based on your risk profile like investing in equity / debt / ETFs, etc.
- Use investment strategies like Systematic Investment Plans (SIPS) to create investing discipline and long term wealth
- Understand the Tax implications on investments, consulting tax advisor, if necessary
- Monitor your mutual fund investments keeping in mind your changing financial goals
- Consult a financial advisor to help you make the right investment decisions

Don'ts of Investing:

- Do not share password (internet account) with anyone. It is like sharing your safe key
- Do not transfer Securities to your Stock Broker for the purpose of margin. They remain in your account only and you need to only pledge them to your Stock Broker through the pledge mechanism.
- Do not transfer funds/securities, for the purposes of trading to anyone other than a registered stock broker or Depository Participants with SEBI.
- Don't ignore any emails/SMSs received with regards to trades done by you from the Exchange. Verify the same with the Contract notes/Statement of accounts received from your broker and report discrepancy, if any, to your broker in writing immediately and if the stock broker does not respond, with the Exchange/Depositories.
- Do not keep funds / securities / commodities idle with the Stock Broker.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks/ Securities promising huge profits.

Relating to Mutual Funds

- Don't take more risk than you can deal with, always analyse your risk profile before investment
- Don't invest all your money in one asset class or a particular type of fund or sector
- Don't invest without guidance if you are not conversant with Mutual Fund investing
- Don't be in a haste to invest without reading and understanding the contents of the scheme related documents
- Don't handover unfilled or incomplete applications
- Don't forget to save, always keep surplus funds aside for emergencies.

Do's for Grievance Redressal:

- File complaints within the limitation period to avoid rejection at the arbitration stage.
- Take up complaint redressal with the Trading Member (TM) first and if not resolved within a reasonable time frame, then approach Exchanges/ SEBI.
- For faster resolution of complaints: Lodge complaint with relevant exchange/ depository. Lodge complaint online and with all relevant supporting documents. Provide trading account details including client Code and PAN details at the time of complaint registration. Provide all information sought by the exchange expeditiously. Maintain copies of all account opening documents and trade related information received from the trading member.

Code of Conduct for Stock Exchanges

A Stock Exchange shall:

- always abide by the provisions of the Act, Securities and Exchange Board of India Act 1992, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.
- adopt appropriate due diligence measures.
- take effective measures to ensure implementation of proper risk management framework and good governance practices.
- take appropriate measures towards investor protection and education of investors.
- treat all its applicants or members in a fair and transparent manner.
- promptly inform the Board of violations of the provisions of the Act, Securities and Exchange Board of India Act 1992, rules, regulations, circulars, guidelines or any other directions by any of its members or issuer.
- take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of stock exchange's systems and the securities market.
- endeavour for introduction of best business practices amongst itself and its members.
- act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
- not indulge in unfair competition, which is likely to harm the interests of any other Exchange, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.
- segregate roles and responsibilities of key management personnel within the stock exchange including,
 - Clearly mapping legal and regulatory duties to the concerned position
 - Defining delegation of powers to each position
 - Assigning regulatory, risk management and compliance aspects to business and support teams
- be responsible for the acts or omissions of its employees in respect of the conduct of its business.
- monitor the compliance of the rules and regulations by the participants and shall further ensure that their conduct is in a manner that will safeguard the interest of investors and the securities market.

Investor Charter (Depository Participant)

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.

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.

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>

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	2 days
8.	Settlement Instruction	For T+1 day settlements, Participants shall accept instructions from the Clients, in physical form up to 4 p.m. (in case of electronic instructions up to 6.00 p.m.) on T day for pay-in of securities. For T+0 day settlements, Participants shall accept EPI instructions from the clients, till 11:00 AM on T day. Note: 'T' refers 'Trade 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 a. Basic Services Demat Account (BSDA) b. Transposition cum dematerialization c. Linkages with Clearing System d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc.
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: a. E-account opening b. Online instructions for execution c. e-DIS / Demat Gateway d. e-CAS facility e. Miscellaneous services

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 2.0 (a web based centralized grievance redressal system f SEBI) Two Level Review for complaint/grievance against DP: - First review done by Designated Body - Second review done by SEBI (ii) Respective Depository's web portal dedicated for the filing of complaint (iii) Emails to designated email IDs of Depository - complaints@cdslindia.com b. Offline mode : Investors can send physical letters to CDSL on our registered office address. The complaints/ grievances lodged directly with the Depository shall be resolved within 21 days.
2.	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	If the Investor is not satisfied with the resolution provided by DP or other Market Participants, then the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through by online conciliation or arbitration. SMART ODR - https://smartodr.in/login
3.	Steps to be followed in ODR for Review, Conciliation and Arbitration	<ul style="list-style-type: none"> Investor to approach Market Participant for redressal of complaint If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal. Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the Market Participant and investor within 21 days. If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter case for conciliation. 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. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days.
4.	Claim to be filed by Beneficial Owner:	<ul style="list-style-type: none"> The Beneficial owner who suffered a loss due to the actions of Depository Participant ("DP")/ Central Depository Services (India) Limited ("CDSL") needs to file their claim with DP/ CDSL along with relevant documents including but not limited to: <ul style="list-style-type: none"> Statement of claim Details of estimated loss (including calculation) and supporting documents FIR Copy (in case of alleged fraud and infidelity of employee) Declaration stating that same relief has not been sought before any other fora The hard copy of the claim is to be addressed to the

		CDSL Legal Team at the registered office of the Company and the soft copy is to be submitted to the Email ID - claims@cdslindia.com .
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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"> 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. Participant surrenders the participation by its own wish. 	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.

Dos and Don'ts for Investors

Sr. 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 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 https://scores.gov.in/scores/Welcomes.html
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.

Rights of investors

- 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 Power of Attorney. However, Power of Attorney 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.
- Right to indemnification for any loss caused due to the negligence of the Depository or the participant.
- Right to opt out of the Depository system in respect of any security
- Responsibilities of Investors
- 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.

Code of Conduct for Depositories (Part D of Third Schedule of SEBI (D & P) regulations, 2018)

A Depository shall:

- always abide by the provisions of the Act, Depositories Act, 1996, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.
- adopt appropriate due diligence measures.
- take effective measures to ensure implementation of proper risk management framework and good governance practices.
- take appropriate measures towards investor protection and education of investors.
- treat all its applicants/members in a fair and transparent manner.
- promptly inform the Board of violations of the provisions of the Act, the Depositories Act, 1996, rules, regulations, circulars, guidelines or any other directions by any of its issuer or issuer's agent.
- take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of depository's systems and the securities market.
- endeavor for introduction of best business practices amongst itself and its members.
- act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
- not indulge in unfair competition, which is likely to harm the interests of any other Depository, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.
- segregate roles and responsibilities of key management personnel within the depository including
 - a. Clearly mapping legal and regulatory duties to the concerned position
 - b. Defining delegation of powers to each position
 - c. Assigning regulatory, risk management and compliance aspects to business and support teams
- be responsible for the acts or omissions of its employees in respect of the conduct of its business.
- monitor the compliance of the rules and regulations by the participants and shall further ensure that their conduct is in a manner that will safeguard the interest of investors and the securities market.

Code of Conduct for Participants

- A participant shall make all efforts to protect the interests of investors.

- A participant shall always endeavour to—
 - a. render the best possible advice to the clients having regard to the client's needs and the environments and his own professional skills;
 - b. ensure that all professional dealings are effected in a prompt, effective and efficient manner;
 - c. inquiries from investors are adequately dealt with;
 - d. grievances of investors are redressed without any delay.
- A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.
- A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialisation request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.
- A participant shall endeavour to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.
- A participant shall not increase charges/fees for the services rendered without proper advance notice to the beneficial owners.
- A participant shall not indulge in any unfair competition, which is likely to harm the interests of other participants or investors or is likely to place such other participants in a disadvantageous position while competing for or executing any assignment.
- A participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
- A participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
- A participant shall co-operate with the Board as and when required.
- A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
- A participant shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.
- A participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
- A participant shall ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, Rules, regulations, directions of the Board or of any other regulatory body.
- A participant shall maintain proper inward system for all types of mail received in all forms.
- A participant shall follow the maker—Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.
- A participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.
- A participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
- A participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.
- A participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.
- A participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.
- A participant shall ensure that good corporate policies and corporate governance are in place.
- Code of Conduct for Participants
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- A participant shall always endeavour to—
 - a. render the best possible advice to the clients having regard to the client's needs and the environments and his own professional skills;
 - b. ensure that all professional dealings are effected in a prompt, effective and efficient manner;
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- A participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
- A participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
- A participant shall co-operate with the Board as and when required.
- A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
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- A participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
- A participant shall ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, Rules, regulations, directions of the Board or of any other regulatory body.
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- A participant shall follow the maker—Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.
- A participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.
- A participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
- A participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.
- A participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.
- A participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.
- A participant shall ensure that good corporate policies and corporate governance are in place.

Policy on processing of claims from IPF

POLICY ON PROCESSING OF INVESTOR CLAIMS FROM INVESTOR PROTECTION FUND (Version 02)

1. Purpose of the Policy

- At CDSL, we are committed to the highest levels of ethics and integrity in the way that we do business. We understand that this is crucial to our continued success and reputation. Protection of beneficial owners' interest is of paramount importance to CDSL and it is always our endeavour to enable our beneficial owners to have a hassle free experience. This policy is formulated in accordance with SEBI Circular (No: SEBI/HO/MRD-PoD3/P/CIR/2023/81) dated May 30, 2023) and relevant SEBI directives issued in this regard.

Introduction/Background of the Policy

Investor Protection Fund is set up with the objective of compensating necessary parties, promoting investor education, awareness and research etc.

The Investor Protection Fund is administered by way of registered Trust created for the purpose. The Investor Protection Fund Trust is managed by Trustees comprising of Public Interest Directors, investor association representatives and Senior official of CDSL. Vide this policy, the beneficial owners will be made aware of the process that needs to be followed for filing claims so that the process is effortless and awareness is created. This policy will lay down the timelines and bifurcation for reimbursement of claim on basis the nature of claim, which is as follows:

- a. Claim pursuant to negligence of DP/ CDSL under Section 16 of the Depositories Act, 1996
- b. Other claims

2. Scope

This policy is applicable to all beneficial owners of CDSL i.e. investors who hold demat accounts with depository participants registered with CDSL. This Policy should be read in conjunction with other policies, (if applicable) and the various directives / circulars issued by SEBI in the same subject matter.

3. Definitions

The definitions of some of the key terms used in this Policy are given below.

“CDSL IPF” means CDSL Investor Protection Fund

“BO” means a beneficial owner who holds a demat account with depository participant admitted with CDSL “CDSL” means Central Depository Services (India) Limited

“DP” means depository participant admitted with CDSL Internal

“This Policy” or “Policies” means this Policy on Processing of Investor Claims from Investor Protection Fund

4. Process for filing of claims

i. Claim pursuant to negligence of DP/ CDSL under Section 16 of the Depositories Act, 1996:

a. Submission of claim by the BO to CDSL

BO may file request for claim to CDSL in writing, explaining the details of reason for filing such claim alongwith the following documents:

- a) Statement of claim
- b) Details of estimated loss (including calculation) and supporting documents
- c) FIR Copy (if applicable)

b. Verification of documents received from BO

- a) CDSL will review and analyse the documents provided by the BO and will seek additional documents / inputs from the BO and / or the concerned DP.
- b) Post receipt, CDSL will verify the documents and claim made in accordance with applicable directives issued from time to time and in case of any deficiency in documents, the same may be sought from the DP and/or BO.
- c) CDSL after verification of claim and supporting documents received from the DP and/ or BO will determine legitimacy of the claim and will intimate the DP and/or BO and concerned parties (if any). If the claim / partial claim is not found to be legitimate, the DP and/or BO will be informed about the same along with the reason
- d) Confirmation on claim being legitimate or not legitimate, will be intimated to the BO within 90 working days of submitting complete documents for verification by CDSL.
- e) CDSL shall take necessary action for reimbursement to the BO within 60 working days of intimation of legitimacy of claim.
- f) In case of delay in submission of documents, the period for confirmation and reimbursement may vary

ii. In case of any other claims:

A. Submission of claim by the BO to CDSL

BO may file request for claim to CDSL in writing, explaining the details of reason for filing such claim alongwith the following documents:

- a. Statement of claim
 - b. Details of estimated loss (including calculation) and supporting documents
 - c. FIR Copy (in case of alleged fraud and infidelity of employee of DP)
- In case of claim filed by BO with DP, the same will be forwarded to CDSL by DP.

B. Verification of documents received from BO

- a) CDSL will review and analyse the documents provided by the BO and will seek additional documents / inputs from the BO and / or the concerned DP.
- b) Post receipt, CDSL will verify the documents and claim made in accordance with applicable directives issued from time to time and in case of any deficiency in documents, the same may be sought from the DP and/or BO.
- c) CDSL after verification of claim and supporting documents received from the DP and/or BO will determine legitimacy of the claim and will intimate the DP and/or BO and concerned parties (if any). If the claim / partial claim is not

found to be legitimate, the DP and/ or BO will be informed about the same along with the reason.

- d) Confirmation on claim being legitimate or not legitimate, will be intimated to the BO within 90 working days of submitting complete documents for verification by CDSL.
- e) CDSL/ DP shall take necessary action for reimbursement to the BO within 60 working days of intimation of legitimacy of claim.
- f) In case of delay in submission of documents, the period for confirmation and reimbursement may vary.

5. Reimbursement of claim amount from IPF

- a) Any claim arising out of negligence of DP/ CDSL (under Section 16 of the Depositories Act, 1996) cannot be reimbursed from CDSL IPF.
- b) Other legitimate claims filed against the DP:
 - In case legitimate claim amount is less than the deductibles specified in the Insurance Policy, the same may be compensated from CDSL IPF subject to maximum cap for reimbursement of the legitimate claims as approved by the governing board of CDSL.
 - In case legitimate claim amount is more than the deductibles specified in the Insurance Policy, the deductible amount may be compensated from CDSL IPF subject to maximum cap for reimbursement of the legitimate claims as approved by the governing board of CDSL.
- c) In case of all other legitimate claims against CDSL, CDSL shall not seek reimbursement from CDSL IPF.

6. Miscellaneous

- a. The claims received against terminated DP within the stipulated time shall be eligible for compensation from the IPF
- b. The compensation limit per investor from CDSL IPF is 1[Rs. 2,00,000/- (Rupees Two Lakh Only)]

7. Document Retention

All documents related to this Policy shall be retained by the Company for a minimum period of 8 years.

8. Amendment to Policy

The Trustees of CDSL IPF and Board of Directors of the Company may amend the Policy 2[at least once every 3 (Three) Financial Years] or depending upon the regulatory requirements, and take necessary action for disseminating such amendments in the public domain.

9. Implementation of the Policy

A copy of the policy shall be uploaded on the website of the Company and necessary action with respect to any amendments will be taken

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