

Form Series No.	
Client Series No.	

# CLIENT REGISTRATION FORM

## MEHTA SECURITIES LTD.

**-: Registered Office:-**

002, Law Garden Apartment, Scheme – I,  
Opp. Law Garden, Ellisbridge, Ahmedabad 380006  
Ph. :( 079)26565566-67, Website: mehtasec.com, E-mail: mehtasec@yahoo.co.in

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

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

**Receipt on/ by** \_\_\_\_\_ **Entered on / by** \_\_\_\_\_

**Checked on / by** \_\_\_\_\_ **Release on / by** \_\_\_\_\_

# **MEHTA SECURITIES LTD.**

**-:Compliance Officer:-**

**PinakinModi**

Phone No.: 079-26565566, 67

E-mail: msl\_investor@yahoo.in

**-: Membership :-**

**National Stock Exchange (NSE)**

CASH: INB230675936, F&O: INF230675936

For any grievance/dispute please contact **Mehta Securities Ltd.** at the above address or Phone No.: 079-26565566-67, or  
E-mail : msl\_investor@yahoo.in or In case not satisfied with the response, please contact the concerned Exchange(s)  
NSEE-mail: ignse@nse.co.in, Phone No.: 91-22-26598190

## ACCOUNT OPENING KIT INDEX

<b>TRADING ACCOUNT &amp; ACCOUNT</b>				
Sr. No.	Name of the document	Brief Significance of Documents	Whether Mandatory/Voluntary	Page No.
1	Account opening form	A. KYC form - Document captures the basic information about the constituent.	Mandatory	1-3
		B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	Mandatory	4-9
2.	Rights and obligations	Document stating the rights & obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet /wireless technology based trading).	Mandatory	10-14
3.	Risk disclosure document (RDD)	Document detailing risks associated with dealing in the securities market	Mandatory	15-18
4.	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	Mandatory	19-20
5.	Policies and procedures	Document describing significant policies and procedures of the stock broker	Mandatory	21-22
6.	Tariff sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock Exchange.	Mandatory	22
7.	Requests/Instructions	Voluntary documents for operational convenience of account	Voluntary	23

I/We have fully read and understood about the contents of KYC Form including Voluntary documents and do consent for the same.

Date: DD/MM/YYYY

Client' Signature

# Mehta Securities Ltd.

## KNOW YOUR CLIENT (KYC) APPLICATION FORM (FOR NON-INDIVIDUAL)

- Private Ltd. Co.     Government Body     Partnership     HUF     AOP     Other  
 Public Ltd. Co.     Defense Establishment     Body of Individual     FI     Bank    \_\_\_\_\_  
 Body Corporate     Trust /Charities /NGOs     Society     FII     LLP

### A. IDENTITY DETAILS

**Name of the Applicant:** \_\_\_\_\_

(Please write complete name as per Certificate of Incorporation / Registration; Please do not abbreviate the Name.)

**Date of incorporation:** DD / MM / YYYY **Place of incorporation:** \_\_\_\_\_

**Date of commencement of business:** DD / MM / YYYY

**Registration No. (e.g. CIN):** \_\_\_\_\_ **PAN:** \_\_\_\_\_

PLEASE AFFIX  
RECENT PASSPORT  
SIZE PHOTOGRAPH  
AND SIGN ACROSS IT

### B. ADDRESS DETAILS

**Address for Correspondence:** \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Pin:

**Contact Details:** Mobile No.: \_\_\_\_\_ Tel.(Off.) \_\_\_\_\_ Tel.(Res.) \_\_\_\_\_

Fax : \_\_\_\_\_ Email id: \_\_\_\_\_

Specify the proof of address submitted for correspondence address : \_\_\_\_\_

**Registered Address** (If different from above) \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Pin:

Specify the proof of address submitted for permanent address : \_\_\_\_\_

### C. OTHER DETAILS

**Gross Annual Income Details** (please tick)

Below Rs 1 Lac     1-5 Lacs     5-10 Lacs     10-25Lacs     25 Lacs - 1 Crore >     1 Crore

**Net-worth** in Rs. (Net worth should not be older than 1 year) as on (date) DD / MM / YYYY

**Name, PAN, DIN/UID, residential address and photographs of Promoters/Partners/Karta/Trustees/whole time directors** (Please use the Annexure to fill in the details)

**Is the entity involved/providing any of the following services :**     YES     NO

- For Foreign Exchange / Money Changer Services:  YES     NO ,    - Money Lending / Pawning :  YES     NO

- Gaming / Gambling / Lottery Services (e.g. casinos, betting syndicates):  YES     NO

**Any other information:** \_\_\_\_\_

### DECLARATION

I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.

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

Date: DD / MM / YYYY

Name & signature (s) of authorised person

### FOR OFFICE USE ONLY

- (Originals verified) True copies of documents received  
 (Self-Attested) Self Certified Document copies received

**Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals**

Name of Applicant \_\_\_\_\_

PAN of the Applicant: \_\_\_\_\_

Sr. No	PAN	Name	DIN (For Director)/ UID (For Other)	Residential / Registered Address	Relationship with Applicant(i.e. promoters, whole time directors etc.)	Whether Politically Exposed	Photograph
1.						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	PLEASE AFFIX RECENT PASSPORT SIZE PHOTOGRAPH AND SIGN ACROSS IT
2.						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	PLEASE AFFIX RECENT PASSPORT SIZE PHOTOGRAPH AND SIGN ACROSS IT
3.						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	PLEASE AFFIX RECENT PASSPORT SIZE PHOTOGRAPH AND SIGN ACROSS IT
4.						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	PLEASE AFFIX RECENT PASSPORT SIZE PHOTOGRAPH AND SIGN ACROSS IT

## ADDITIONAL KYC DETAIL FOR TRADING ACCOUNT

(For Individual and Non Individual)

### BANK AND DETAILS FOR TRADING ACCOUNT

(To be filed by the applicant in **BLOCK LETTERS** in English)

<u>Main/Default Bank Detail</u>	<u>Main/Default DP Detail</u>
Bank Name: _____	DP Name: _____
Branch : _____	DP Address: _____
Branch Address: _____	_____
A/C No.: _____	DP ID: _____
A/C Type: <input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Other _____	Client ID: _____
(Other- in case of NRI/NRO/NRE)	
MICR CODE : <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	POA: <input type="checkbox"/> Yes <input type="checkbox"/> No    Depository : <input type="checkbox"/> CDSL <input type="checkbox"/> NSDL
IFCS CODE: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
ECS/RTGS/NEFT : <input type="checkbox"/> Yes <input type="checkbox"/> No	

- (i) Photocopy of the cancelled cheque having the name of the account holder where the cheque book is issued, (or)
- (ii) Photocopy of the Bank Statement having name and address of the BO
- (iii) Photocopy of the Passbook having name and address of the BO, (or)
- (iv) Letter from the Bank.

In case of options (ii), (iii) and (iv) above, MICR code of the branch should be present / mentioned on the document.

### TRADING PREFERENCES

Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.

EXCHANGE	SEGMENT	SIGNATURE
<b>National Stock Exchange (NSE)</b>	Cash	
	F & O	

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

### PAST ACTIONS

Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its Partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years: Yes  No  If yes, (If yes please specify detail)

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

Name of the sub-broker: \_\_\_\_\_

Sub-Broker's Address: \_\_\_\_\_

Sub-Broker's Phone: \_\_\_\_\_, Fax No.: \_\_\_\_\_

Sub-broker SEBI Registration No: NSE \_\_\_\_\_, Sub-Broker's Website: \_\_\_\_\_

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

Name of stock broker: \_\_\_\_\_

Name of Sub-Broker (if any): \_\_\_\_\_

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

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

## ADDITIONAL DETAILS


- Whether you wish to receive  Physical contract note  Electronic Contract Note (ECN)  
Email id: \_\_\_\_\_ Mobile No (For receiving SMS Alerts) \_\_\_\_\_
- Whether you wish to avail of the facility of internet trading/ wireless technology  Yes  No
- Number of years of Investment/Trading Experience:  
 No Prior Experience,  \_\_\_\_\_ Years in Equities  \_\_\_\_\_ years in Derivatives  
 Years in Other Investment Field
- In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others:
- Settlement to be done  Once in a Month  Once in a Quarter
- Any other information: \_\_\_\_\_

## INTRODUCER DETAILS (OPTIONAL)

Introduced by:  Existing Client  Sub-broker  Remisier  Authorised person  Others: [Please Specify](#)

Name of the Introducer: \_\_\_\_\_ Client Code: \_\_\_\_\_ Branch: \_\_\_\_\_  
Sub-Broker Registration No: \_\_\_\_\_, UCC: \_\_\_\_\_, Employee Code: \_\_\_\_\_  
PAN No.: \_\_\_\_\_ Contact No. \_\_\_\_\_

Address of the Introducer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Note: Introducer's signature

## NOMINATIONAN DETAILS FOR TRADING ACCOUNT (For Individual Only)

Nomination Registration No		Date	DD / MM / YYYY
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Dear Sir / Madam,

I / We the Sole holder / Joint holders / Guardian (in case of minor) hereby declare that:

- I/We do not wish to nominate any one for trading account.**
- I/We **nominate** the following person, who is entitled to receive fund and security balances lying in my / our trading account, particulars whereof are given below, in the event of my /our death.

Nominee Details			
Full Name of Nominee	First Name	Middle Name	Last Name/Surname
Address: _____ _____			
City/Town/Village: _____ State: _____ Country: _____ Pin: <input type="text"/>			
Contact Details: Mobile No.: _____ Tel.(Off.) _____ Tel.(Res.) _____			
Fax : _____ Email id: _____			
Relationship with BO (If any)		PAN	
Date of birth			

As the nominee is a minor as on date, to receive the securities in this account on behalf of the nominee in the event of the death of the Sole holder / all Joint holders, I/We appoint following person to act as **Guardian**:

Name of Guardian of Nominee												
Name of Guardian	First Name			Middle Name			Last Name/Surname					
Relationship with Nominee							PAN					
Father/ Husband Name												
<b>Address for Correspondence:</b> _____												
_____												
City/Town/Village: _____ State: _____ Country: _____ Pin: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>												
<b>Contact Details:</b> Mobile No.: _____ Tel.(Off.) _____ Tel.(Res.) _____												
Fax : _____ Email id: _____												

This nomination shall supersede any prior nomination made by me / us and also any testamentary document executed by me / us.

Note: Two witnesses shall attest signature(s) / Thumb impression(s). (Only in case of the account holder has made nomination.)

SIGNATURE OF GUARDIAN OF NOMINEE

**Date: DD / MM / YYYY**

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

	First/Sole Holder	Second Holder	Third Holder
Name			
Specimen Signatures	5	5	5

Details of the Witness	First Witness	Second Witness
Name of Witness		
Address of Witness		
Signature of Witness	W	W

Nomination form accepted and registered wide Registration No. \_\_\_\_\_ dated \_\_\_\_\_

### DECLARATION

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

Place \_\_\_\_\_

Date **DD/MM/YYYY**

Client' Signature
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**VERIFICATION DONE FOR TRADING ACCOUNTIN -PERSON**

UCC Code allotted to the Client: \_\_\_\_\_

Particular	Documents verified with Originals	Client Interviewed By	In-Person Verification done by
Name of the Employee			
Employee Code			
Designation			
Date			
Signature			

**FOR OFFICE USE ONLY**

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

**For, Mehta Securities Ltd.****X**

Signature&amp;Seal/Stamp

Name&amp;Designation

Date: DD/ MM / YYYY**INSTRUCTIONS/ CHECK LIST**

- Additional documents in case of trading in derivatives segments - illustrative list: (Any One)

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

- Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.
- Demat master or recent holding statement issued by DP bearing name of the client.
- For individuals:
  - Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the Stock broker/sub-broker's office.
  - In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' Verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident Clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.
- For non-individuals:
  - Form need to be initialized by all the authorized signatories.
  - Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures

Client's Signature

## **RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS**

### **(As prescribed by SEBI and Stock Exchanges)**

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

### **CLIENT INFORMATION**

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

### **MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

### **TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.

15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo motu all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued there under.

#### **BROKERAGE**

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

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

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

#### **DISPUTE RESOLUTION**

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

#### **TERMINATION OF RELATIONSHIP**

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

28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
29. In the event of demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the Rights and Obligations document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

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

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

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.

40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

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

Client's Signature

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

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

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person 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 and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

Client's Signature

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

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

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

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

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

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

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

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

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

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in active securities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

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

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

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

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

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

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

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

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

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

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

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

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

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

### **1.7 System Risk:**

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **4. GENERAL**

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

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

Client's Signature

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

**TRANSACTIONS AND SETTLEMENTS**

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

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

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

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

#### **DISPUTES/ COMPLAINTS**

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

**Mandatory Document:** This is mandatory/compulsory document from Broker and requires your utmost care, attention and understanding. This is an additional requirement from Broker which if contravenes any rules, Regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges shall be null and void. [Refer SEBI Circular No. MIRSD/SE/Cir-19/2009 dated 03.12.2009]

**Dealing in Penny stocks:** Generally, the Broker refuses to enter any order of clients for penny stocks. The clients is required to adhere to exchange/members' guidelines and due diligence while trading in such scripts. Even trading in such scripts is very risky. As such, we the broker, do hereby warn the client not to deal in any penny stocks. However, we at our sole discretion, may allow or disallow the clients (on case to case basis) to deal in penny stocks, subject to rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, at related point of time.

**Client's Exposure Limit :** In capital segment the exposure would be given on client's trade history/experience, if available, his financial capacity and/or credit worthiness and in F & O client's account this limit can be increased only after an analysis of credit balance of funds/securities along with aforesaid and such other criteria at Broker's sole discretion.

**Brokerage Rate:** The Broker discloses that it shall charge a brokerage at the rate being agreed by the client with Broker (including its branches or sub-brokers) depending upon market circumstances or as may be prescribed in KYC document/ Back office Software. However, the Broker shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI/Exchanges from time to time. On option segment of Exchange it is hereby disclosed that brokerage on options contracts shall be charged @2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.

**Penalty/Delayed payment charges:** Trading member may charge penalty /delay payment charges to client in the event of client committing a default in the payment of any of the amount which client liable to pay within a period as specified by rules, regulation and byelaws of Exchange, SEBI Regulation and regulation of the governing authority from the date of demand, without prejudice to the right of the member to close the account of client. Member may delayed payment charges @ not more than 24% p.a. or such other rate as may be specified by the Member from time to time for the period of such default. In case the client has failed to make the payment of any of the amount as liable to pay, Member shall have the right to discontinue services till such time he makes the payment along with interest, if any, after giving two days notice to the client.

**Sell of Securities or Closing Open Position :** The client also agree and confirm that in case of any delay(beyond permissible time limit as per SEBI's or Exchange's rules, regulations, byelaws, circulars and other applicable laws/provisions) or in-ordinate delay in making the payment of clearance or meeting up of any obligations, dues, debit balances, margin, MTOM debit balance etc. by client, then Broker may adjust the securities/credit balance of funds against client's obligation, debit balance or liabilities WITHOUT ANYFURTHER NOTICE from Broker from time to time.

**Shortages in Obligation and Internal Auction:** Clients are required to make securities / Funds Pay-In on Pay-In day. In case of default in security Pay-In by the client and the shortage is at member level i.e. internal shortage then the benefit calculated at the closing rate of Pay-Out day shall be recovered from the defaulting client and passed on the respective beneficiary client. In case of the default of securities Pay-In by the client and the shortage is from the exchange, auction values of the respective exchange plus penalty (decided by the member from time to time) plus brokerage and other statutory charges shall be recovered from the defaulting client. In case of funds default by the client, the member shall be liquidating the stocks to recover the money. Any shortfall arising out of liquidating securities by the members shall also be recovered from the defaulting client along with interest (decided by the member from time to time).

**Restrictions/Prohibition to take further position or closing existing position:** Under any of the circumstances, such as client's failure to meet Pay-In or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker, the client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Even, broker can firstly set-off or adjust the same shall not allow the client to take further/fresh position.

Policy for Dormant/In-active account :In any account, in which no transactions has took place during the period of 12 months from the date of last transaction, the same shall be considered as Dormant/In-active. Such transaction date may relate to any of the following date, whichever is later.

- (a) Entry related to contract or bill generation for buy/sell transaction or
- (b) Entry related to payment of funds to securities by clients or
- (c) Entry passed by the broker by way of JV due to any penalty amount whether or not imposed by Exchange or SEBI or other authorities etc.

To designate the client’s account as Dormant/In-active account, the period of 12 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place. In case Broker treats the account of client as the dormant/in-active account the funds or securities lying with the broker shall bere funded/returned to clients immediately on demand by the client.

In order to reactive the account, client needs to instruct the Broker in writing atleast 2 days in advance at its Ahmedabad R. O. The Broker will try to promptly reactivate the said account subject to fulfillment of such conditions as broker may consider fit and proper. Such written request may also be sent by way of Fax on 079-26565566 to Pinakin Modi(Trading Account Dept.) or by e-mail mehtasec@yahoo.co.in to Broker. However, Broker may, in its own discretion to waive/reduce the period of 2 days as the circumstances may warrant on case to case basis.

Client’s Signature

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**TARRIF SHEET**

**Mehta Securities Ltd.**

**Regd. Office: 002 Law Garden Apt., Scheme – I, Opp. Law Garden, Ellisbridge, Ahmedabad 380006.**

Ph.079-26565566, 67 E-mail:mehtasec@yahoo.co.in

Client Code	1 <sup>st</sup> Leg		2 <sup>nd</sup> Leg (Same Day)	
	%Age	Min	%Age	Min
Trading				
Delivery			NA	NA
Derivatives				
Option				
Checked By & Approved By : (Name and Signature :)				

\* Note: Stamp Duty, Security Transaction Tax, Service Tax, SEBI Fees, Transaction Charges and other charges as applicable.

Client’s Signature

## VOLUNTARY

### CONSENT(S) FOR SMOOTH OPERATIONAL CONVENIENCE

This document is purely voluntary and all/any part thereof can be deleted before signing. The same can also be revoked at any time after execution by sending your written request to do so. If you are not agreeing then please don't sign.

To, Mehta Securities Ltd.

**Member:** National Stock Exchange of India Ltd. Corp. Office:002, Law Garden Apartment, Scheme-1, Opp. Law Garden, Ellisbridge, Ahmedabad 380006

**SEBI Registration No.:**

National Stock Exchange of India Ltd. Capital Market Segment: INB230675936 Futures and Options Segment: INF230675936

Dear Sir,

I/We request you to kindly register me/us with you as your client/constituents on NSE CM/NSE F&O. Accordingly I/We do hereby give my/our following consents and do authorize you as under:

1. You are requested to kindly accept my/our oral/verbal instructions to place, modify, cancel the orders and not insist me for the same in writing.
2. You are requested not to give me/us any order confirmation / modification /cancellations slips or trade confirmation slips.
3. I/We have no objection if due to punching error you might have to change the client codes for trade done or transfer the trade to your Vandha Account/ Error Account as the circumstance may warrant within the prescribed parameters and rules & regulations of the exchanges.
4. You are free to adjust debit/credit in between my/our various accounts viz. F&O initial margin A/c, F&O MtoM A/c, Cap. Market A/c, Margin A/c or any other account maintained with you. The same can be done by passing Journal Voucher entries or in such other manner as my deemed fit and proper by you.
5. I/We are aware that member undertakes proprietary trading in addition to clientele business.
6. Authorization for inter Exchange/Segment fund balance transfer and stock transfer: I/We hereby authorize you to transfer my/our debit/credit balance in the ledger account arising during the course of trade in one Exchange/Segment to my/our ledger account in another Exchange/Segment or transfer any stock purchased / laying in my/our account in one Exchange/Segment to my/our ledger account in another Exchange/Segment as often as may be required. The transfers may be completed by passing journal entries in your books.
7. I/We agree that all fines/penalties/charges etc. levied upon you by NSE/BSE/MCS/SX/any other Regulatory Authority for my/our transaction /deals/ actions/ mistakes are recoverable by you from my/our accounts.
8. I /We further declare and confirm that the shares / securities provided / being provided to you are generally for the purpose of availing exposure limits / margin limits / towards collaterals in F&O Segment of the Exchange and in turn you may deposit/utilise the same for availing exposure from Exchange/clearing house.

**9. Running Account Authorisation:**

Please note that my/our account is to be maintained with you as a running client account and the funds and/or securities/collaterals/margin due to me/us shall not be paid immediately until/unless specifically demanded by me/us and you are free to use the same for my/our future settlement obligations/margin liabilities etc.

I/We also specifically understand and agree that:

- (a) This is only a voluntary authorization that may be revoked by me at any time.
- (b) For my/our outstanding obligation/balance on the settlement date, you may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin or other obligations for next 5 trading days (or till I/We clear the same entirely), calculated in the manner specified by the exchanges.

I/We understand that the aforesaid consents are purely voluntary and have been given to you for smoother operations of my/our client account with you as our broker and then only. I/We have put my/our signature only after proper understanding.

**MEHTA SECURITIES LIMITED**

**RUNNING ACCOUNT AUTHORIZATION**

- a) I would like to keep securities purchased by me with you as collateral for giving me exposure limits in trading account/margin/obligation. I authorize you not to transfer shares/ securities purchased by me to any Demat beneficiary account and keep them with yourself. I also authorize you to pledge these shares /securities with the clearing member/Exchange custodian, at your discretion. Incase any of these shares /securities are sold in subsequent settlements you may take this as a standing instruction to adjust my previous purchase positions.
- b) Whenever I require delivery of any shares/securities I shall send you a written request. I understand that such payment of securities will be made subject to your risk management policies.
- c) Incase there is a debit balance in my account you are authorised to sell at any point of time the shares/securities purchase by me for previous settlement, at your sole discretion. Any profit/loss made in this transaction will be debit/credit to my account as it would have occurred on normal purchase/sale made by me. I also agree to pay the balance amount, if any, after deducting balance of credit of sale of shares.
- d) I also request you not to issue cheque/make payment settlement wise unless specifically demanded by me, as pay-in and pay-out are very close and therefore exchange of cheque becomes unnecessary paper work.
- e) I further authorize you to setoff/adjust any of my debt/dues in any segment of any exchange with credits of any other segment(s) of exchange(s) in my account within the period of settlement of my account (securities and funds) as opted by me under section A .
- f) I also note that I may revoke the authorisation at any time. I also undertake to clear all my dues to you before serving revocation of this authorization else the member will recover all my dues in my ledger till date and then effecy the revocation.
- g) I also undertake to bring any dispute arising from settlement of account or settlement so made to your notice within seven working days from the date of receipt of funds/securities or statement as the case may be.
- h) I/We further wish to have settlement of my account (funds and securities) once in a quarter. I understand that the settlement amount shall be subject to retention of requisite securities/funds towards outstanding obligation and margins in my account calculated in a manner specified by SEBI/Exchange and details mentioned in the “Statemant of Account” at the time of settlement. I authorize you to send the statement of accounts on funds and securities as on the date of settlement to my interest trading account or e-mail id registered with you. I understand that can obtain a copy of the same from any of your branch offices.

So kindly maintain my account as a runnung account basis for funds and securities.

Client Signature	
Client Name	
Client login id	
Date	