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**MUNOTH CAPITAL MARKET LTD**

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**Correspondence Office:** Shanti Nivas - Office Building, Opposite Shapath V, Near Karnavati Club, S. G Road, Ahmedabad-58 Phone No. 079-26937954

**Web Site :** [www.munoth.com](http://www.munoth.com)

Detailis	NSE Cash Segment	NSE F&O Segment	BSE Cash & F&O Segment	MCX-SX CD Segment	USECD Segment
SEBI Reg.No.	INB231248031	INF231248031	INB011248037	NA	NA
SEBI Reg.Date	29-12-2005	29-12-2005	17-12-2007	NA	NA
Member Code	12480		3205	NA	NA

*Clearing Member Details:*

*NSE F&O Segment/CD Segment: Self Clearing Member; Member Code: M51314, 12480*

*MCX-SX CD Segment and USE CD Segment: Self Clearing Member, Member Code: NA*

*Compliance officer name, phone no. & email id*

*NSE: Mr. Siddharth S Jain, Tel No 9974017401, [munoth@gmail.com](mailto:munoth@gmail.com)*

*BSE: Mr. Siddharth S Jain, Tel No 9974017401, [munoth@gmail.com](mailto:munoth@gmail.com)*

*CEO name, phone no. & email id:*

*Mr. Siddharth S Jain, Tel No 9974017401, [munoth@gmail.com](mailto:munoth@gmail.com)*

*For any grievance/dispute please contact Stock Broking Private Ltd at the above address or email id- [grievances@munoth.com](mailto:grievances@munoth.com) and Phone no. 91-027-26937954*

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

**NSE:** Email: [ignse@nse.co.in](mailto:ignse@nse.co.in) , Tel No: (022) 26598190, Fax No: (022) 26598191

**BSE:** Email: [is@bseindia.com](mailto:is@bseindia.com), Tel No. (022) 22728097

**MCX-SX:** Email - [investorcomplaints@mcx-sx.com](mailto:investorcomplaints@mcx-sx.com), Tel No. - (022) 6731 8933 / 9000

**USE:** Email: [investorcomplaints@useindia.com](mailto:investorcomplaints@useindia.com), Tel No. (022) 42444904/42444932

**TRADING ACCOUNT RELATED DETAILS**

***For Individuals & Non-individuals***

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

Bank Name	Branch address	Bank account no.	Account Type: Saving/Current/ Others-In case of NRI/NRE/NRO	MICR Number	IFSC code

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

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

**C. TRADING PREFERENCES**

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

Exchanges		
NSE	Cash	
	F&O	
BSE	Cash	

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

**D. 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:  
.....

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

- If client is dealing through the sub-broker, provide the following details:  
Sub-broker's Name: ..... SEBI Registration number: .....  
Registered office address: .....  
Ph: ..... Fax: ..... Website: .....
- Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock brokers/sub-brokers, 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: .....

**F. ADDITIONAL DETAILS**

- Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify): .....
- Specify your Email id, if applicable: .....
- Whether you wish to avail of the facility of internet trading/ wireless technology (please specify): .....

- Number of years of Investment/Trading Experience: .....
- In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others: .....
- Any other information:.....

**G. INTRODUCER DETAILS (optional)**

Name of the Introducer:

.....  
 (Surname) (Name) (Middle Name)

Status of the Introducer: Sub-broker/Remisier/Authorized Person/Existing Client/Others, please specify.....

Address and phone no. of the Introducer: .....

Signature of the Introducer: .....

**H. NOMINATION DETAILS (for individuals only)**

- I/We wish to nominate**  **I/We do not wish to nominate**

Name of the Nominee: .....

Relationship with the Nominee: .....

PAN of Nominee: .....

Date of Birth of Nominee: .....

Address and phone no. of the Nominee:

.....

**If Nominee is a minor, details of guardian:**

Name of guardian: .....

Address and phone no. of Guardian: .....

Signature of guardian .....

**WITNESSES** (Only applicable in case the account holder has made nomination)

Name -----

Name -----

Signature -----

Signature -----

Address -----

Address -----

**I. OTHER DETAILS**

1. Gross Annual Income Details (Please tick (✓): <input type="checkbox"/> Below 1 Lac <input type="checkbox"/> 1-5 Lac <input type="checkbox"/> 5-10 Lac <input type="checkbox"/> 10-25 Lac <input type="checkbox"/> > 25 Lacs	
OR	
Net-worth in ₹. (*Net worth should not be older than 1 year) as on (date) <input type="text" value="d"/> <input type="text" value="d"/> / <input type="text" value="m"/> <input type="text" value="m"/> / <input type="text" value="y"/> <input type="text" value="y"/> <input type="text" value="y"/> <input type="text" value="y"/>	
2. Occupation (Please tick(✓) any one and give brief details):	
<input type="checkbox"/> Private Sector Service <input type="checkbox"/> Public Sector <input type="checkbox"/> Government Service <input type="checkbox"/> Business <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired	
<input type="checkbox"/> Housewife <input type="checkbox"/> Student <input type="checkbox"/> Forex Dealer <input type="checkbox"/> Others (Please specify) _____	
3. Please tick, if applicable: <input type="checkbox"/> Politically Exposed Person <input type="checkbox"/> Related to a Politically Exposed Person	
For definition of PEP, please refer guideline overleaf	
4. Any other information: _____	

**DECLARATION**

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

**Place** ----- (-----)  
**Date** ----- **Signature of Client/ (all) Authorized Signatory (ies)**

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**FOR OFFICE USE ONLY**

UCC Code allotted to the Client: -----

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

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

.....  
**Signature of the Authorised Signatory**

**Date** .....

**Seal/Stamp of the stock broker**

## INSTRUCTIONS/ CHECK LIST

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

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

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

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

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

**CLIENT INFORMATION**

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

## **MARGINS**

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

## **TRANSACTIONS AND SETTLEMENTS**

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

## **BROKERAGE**

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



rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

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

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

## **DISPUTE RESOLUTION**

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

## **TERMINATION OF RELATIONSHIP**

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

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such

time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate 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.

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

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

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

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

## RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

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

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

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

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

## **1. BASIC RISKS:**

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

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

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

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

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

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

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

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

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

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

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

**1.4.3** A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives



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

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

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

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

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

### **1.7 System Risk:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2.2 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.

## **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.bseindia.com](http://www.bseindia.com) & [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, 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 may maintain a 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 dealing with Policy and Procedures**

### **1. Refusal to Take Orders**

The Client undertakes and agrees that member, may, as a risk containment measure, at any time, at its sole discretion, and without prior notice, prohibits, restricts or refuse the clients' ability to place order or trade in penny stocks or such other stocks/contracts, as specified by Member, through the Member. The Client waives any and all claims for loss or damage arising directly or indirectly from any such refusal.

### **2. Exposure Limits**

The client agrees and confirms to abide by the exposure limits, if any, set by Member or by the exchange or Clearing Corporation or SEBI from time to time.

The Stock Broker/ Trading Member may from time to time, at its sole discretion, impose and vary limits on the orders that the client place (including but not limited to exposure limits, turnover limits, limits as to number, value and / or kind of securities / contracts in respect of which buy or sell orders can be placed etc.) The client is aware and agree that the stock broker/ trading Member may need to vary or reduce the limits or impose new limits urgently on the basis of Member's risk perception and other factors considered relevant by Member and Stock Broker/ Trading Member may be unable to inform to the client of such variation, reduction, imposition in advance. The client agrees that the Stock Broker/ Trading Member shall not be responsible for such variation, reduction and imposition of limits.

### **3. Brokerage Rate**

The Client confirms and agrees that the brokerage shall be paid in the manner intimated by the Member to the client from time to time, including as a percentage of the value of the trade or as a flat fees or otherwise, together with the service tax as may be applicable from time to time on the same.

The Client hereby agrees to the brokerage slabs/rates, as mentioned in this document, which do not exceed the maximum limits prescribed by the SEBI/NSE/BSE.

### **4. Delayed Payment Charges**

The client understands and agrees that applicability of delayed payment charge by either party is solely at the discretion of the Stock Broker.

Without prejudice to margin funding guidelines issued by SEBI, any amounts which are overdue from a client toward settlement obligation or margin obligation either in cash segment and/or derivative segment, may attract delayed payment charges at the rate of 2 % per month or part thereof or such other rate as may be determined by the stock broker.

In case client has not opted for running account maintenance, any amount which are overdue from a stock broker towards settlement pay out after meeting all pending settlement / margin obligations or dues, may attract delayed payment charges at the rate of 2 % per month or part thereof or such other rate as may be determined by the stock broker.

In case client has opted for running account maintenance, any amount which are overdue from a stock broker towards the available undisputed credit balance in client ledger after meeting settlement and/or margin obligation and making provision for next 5 trading day settlement and / or margin obligation, calculated in the manner specified by the exchanges or amount as demanded by client, in writing, out of available ledger balance, whichever is less, may attract delayed payment charges at the rate of 2 % per month or part thereof or such other rate as may be determined by the stock broker.

#### **5. Liquidation/close-out of positions:**

Without prejudice to the member's other rights (including the right to refer a matter to arbitration), the Member shall be entitled to liquidate / close out all or any of the Client's positions for non-payment of margins or settlement obligation after giving prior notice. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the Client.

#### **6. Internal Shortage**

In case of purchase of securities by the Client, at times Member may be unable to deliver the securities to the said purchaser on the pay out day due to non receipt of the said securities from another Client of Member who has sold the securities against the said purchase transaction. In such cases, member may buy the shares from the market on T + 1 day or on settlement day and deliver the same to the client or he may give close out at the rate as determined by the member.

#### **7 Close out in case of internal Shortages:**

The Client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in- obligation which resulted into internal shortage (i.e. buy position of another client of Member and could not be auctioned in the market), close out shall be debited to his account at the rate which is in the range of 5% to 20% above the purchase price or the closing price on auction day or such other percentage as may be revised by Member and intimated to client time to time.

#### **8. Restrictions/Prohibition to take further position or closing existing position**

The Member may, in its sole discretion, not allow taking further position to the client or may close the existing position of a client due to any restrictions in relation to volume of trading / outstanding business or margins stipulated by the exchange, clearing corporation/ clearing house and/or the Member and / or any other extraordinary event warranting such restrictions. The Client waives any and all claims for loss or damage arising directly or indirectly from any such restrictions.

#### **9 Suspension / Closure at the client's request**

The Client may suspend or close his/her/its trading account temporarily by giving written request to the member. Such temporary closing or suspending of trading account will not affect the rights and obligation incurred prior to such suspension or closure. Any request for temporary suspension or closure shall not be processed by the member unless all the dues are paid by the client.

## **10. Deregistering the Client**

The Member may, at its sole discretion, deregister clients' account to protect his interest which might include (but not limited to)

- i. Member is compelled to by law;
- ii. Client has not used account for a significant period of time;
- iii. Member has reasons to believe that account is being used for fraudulent purposes.
- iv. Any other reason which member thinks reasonable for deregistering the account.

The Client waives any and all claims for loss or damages arising directly or indirectly from such deregistering. The deregistering will not affect any liability of the Client resulting directly or indirectly from any transactions made at any time before such deregistering.

## **11. Policy for in active Clients**

In case client has not used his account for a period exceeding 6 months but not later than 2 years across the exchanges, then his account shall be freezed for further trades and the said account shall be re-activated only after client gives account reactivation request , in writing, along with the proofs, if any, required. Further if client has not used his account for more than 2 years, his account shall be deregistered and his account shall be re-activated only after proper recording of reason for such non use, either orally or in writing, and after taking all the required proof.



## Tariff sheet for Trading Account

### A. Brokerages

#### Cash Segment

Brokerage Slab	Rate %	Minimum Paise	One Side/Both Side
Delivery Based			
Intraday Based			

Brokerage Slab	Future %	Option %	One Side/Both Side
Daily Square Up			
Settlement Square Up			

### B. Statutory Levies

Following statutory levies shall be levied as applicable from to time.

- i. Security Transaction Tax
- ii. SEBI Turnover Fees
- iii. Exchange Transaction Charge
- iv. Stamp Duty
- v. Service Tax

In addition to above, any charge levied by statutory authorities shall also be recovered from the clients.

### C. Penalty

Penalties levied by exchange, SEBI and other authorities due to act of client are recovered from the clients. Such penalty may include, Short Margin Penalty, Code Modification Penalty, etc.

### D. Other Charges

- i. Demat and Inter settlement Charges Rs. 12/- per instruction or 0.02% , whichever is higher.**
- ii. Bank Charges for clearance of cheque/dishonour of cheques given by client ; @ Rs. 250 per cheque return/clearance or Actual , whichever is higher**
- iii. Auction charges @ 1% of auction value or Actual, whichever is higher.**

**NON MANDATORY DOCUMENT**  
**ADDITIONAL TERMS AND CONDITIONS GOVERNING THE SERVICE**

[Please strike out the Non-Mandatory clauses that are not agreed to between stock broker/trading member and the client.]

I, voluntarily and unconditionally hereby state and declare that I/We have read and understood the terms and conditions mentioned hereinafter governing securities trading and broking services of Member i.e. Stock Broking Private Ltd. and agree to be bound by the same.

1. GENERAL TERMS AND CONDITIONS GOVERNING THE SERVICE

(A) COMPLIANCE WITH LAWS

- (i) All transactions that are carried out by and on behalf of the CLIENT shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye Laws of the Exchange that may be in force from time to time, and their Clearing Houses, if any, on which such transactions are executed and/or cleared by the MEMBER that may in force from time to time, the Reserve Bank Of India and the NSDL and CDSL, the Securities Contracts Regulation Act and the rules made there under, and any other applicable statutory provisions and/rules or regulations. The MEMBER is under no obligation to inform the CLIENT of changes in these rules, regulations or guidelines.
- (ii) In case where the CLIENT is a Non resident Indian, he agrees to abide by Foreign Exchange Management Act and rules and regulations issued thereunder from time to time.
- (iii) The CLIENT hereby authorizes the MEMBER to take all such steps on the CLIENT's behalf as may be required or advisable in the MEMBER's opinion for compliance with the Exchange provisions or any other law or provisions or the complete or settle any transactions entered into through or with the MEMBER or executed by the MEMBER on behalf of the CLIENT. However, nothing contained herein shall oblige the MEMBER to take such steps.
- (iv) In addition to the specific rights set out hereunder, the CLIENT confirms and agrees that the MEMBER 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 Regulations of the Exchange and circulars issued there under or Rules and Regulations of SEBI.
- (v) Unless otherwise agreed in writing by the MEMBER, Client agrees and confirms that the Member and the Client shall in no circumstances be considered as persons acting in concert or as persons co-operating with each other (directly or indirectly) or as persons having a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over any company, whose shares are purchased by the Member for and on behalf of and on account of the Client.
- (vi) The Client understands, agrees and confirms to provide copies of Annual Accounts, Returns or any other document that may be asked for by the Member to comply with Prevention of Money Laundering Act,2002. as amended. If the Client fails to provide the documents, as may be required by the Member, the Member reserves the right to terminate the client-broker relationship forthwith.

(b) DEMATERIALISED SECURITIES

All orders made by the CLIENT shall only be in securities compulsory traded in the dematerialized form. All deliveries of securities made by or to the CLIENT shall only be in the dematerialized form.

(C) **ACTING AS A SUB-BROKER:**

The Client agrees that he will not act as a Sub-Broker without prior written permission of the Stock broker/trading member, the stock exchange and without obtaining certificate of Registration from Securities and Exchange Board of India (SEBI).

2. **RISK DISCLOSURE**

The Client confirms, declares and agrees that:

- (a) Client shall deposit with the MEMBER such monies, securities or other property, which may be required to open and / or maintain his account with the MEMBER.
- (b) All monies, securities or other property which the MEMBER may hold on Client's account shall be held subject to a general lien for the discharge of CLIENT's obligations to the MEMBER.
- (c) Client shall not, acting alone or in concert with others, directly or indirectly hold and/or control excess number of permitted Derivatives contracts as fixed from time to time by the Exchanges.
- (d) The CLIENT shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly the CLIENT will have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.

**3. Shortages:** In case of purchase of securities by the Client, at times the Stock broker/trading member may be unable to deliver the securities to the said purchaser on the pay out day due to non receipt of the securities from the stock exchange(s). In such cases, the securities shall be delivered to the purchaser on the deliveries received from the exchange.

**4. Auction or close out in case of Market Shortage:** If the securities are not received on or before settlement date or the securities received are not in deliverable state or due to any reason whatsoever, client is not able to deliver securities and position is deliverable in market, the securities will be auctioned or closed out as per the rules of the concerned exchange. Consequently, client will be responsible for any resulting losses and all subsidiary cost including penalty levied by the exchange.

**5. MARGINS:** The CLIENT shall make the prescribed initial margin in the form of cash and/or in the form of securities ( the "Margin") with the MEMBER simultaneously with the opening of the account and prior to commencement of trading. The CLIENT shall be permitted to trade upto a pre-determined number of times of the MARGIN (the "Multiple")and the quantum of the Multiple on the margin shall be decided at sole option or discretion of the MEMBER who shall have the irrevocable right to set off a part or whole of the Margin. i.e. by way of appropriation of the relevant amount of cash or by sale or transfer of all or some of the securities which form part of the margin, against any dues of the CLIENT or of a member of the FAMILY of the CLIENT in the event of the failure of the CLIENT or a member of the FAMILY of the CLIENT to meet any of their respective obligations under these Terms.

Any references in these terms to sale or transfer of securities by the MEMBER shall be deemed to include sale of securities which form part of the Margin maintained by the CLIENT with the MEMBER. In exercise of the MEMBER's right to sell securities, the CLIENT agrees that the choice of specific securities to be sold shall be solely at the MEMBER's discretion.

The Client confirms that the MEMBER is permitted in its sole and absolute discretion to collect additional margins (even though not imposed by the Exchange, the Clearing House or SEBI) and the CLIENT shall be obliged to pay such margins.

#### **A. Margin on Purchase:**

CLIENT confirms and agrees to deposit interest-free margin of 30 % of such other percentage as may be intimated by the MEMBER from time to time on the price of the securities proposed to be purchased.

#### **B. Margin on Sales:**

The CLIENT confirms and agrees to deposit interest free margin of 30 % or such other percentage as may be intimated by the MEMBER from time to time on the price of securities proposed to be sold.

#### **C. Margins in Derivative Contracts:**

In the derivative segment, the CLIENT agrees to pay an initial margin upfront on or before creating a position. Such margin shall be decided upon by the MEMBER or the Exchange from time to time. Furthermore, the CLIENT is liable to pay (or receive) daily margins depending on whether the price of the Derivatives contract moves for or against the position undertaken. The CLIENT may also be liable to pay withholding margins, special margins or such other margins as are considered necessary by the MEMBER or the Exchange from time to time.

#### **D. Mark to Market Margin in Derivative Contract**

For derivative contracts, the CLIENT agrees that the MEMBER shall raise bills on daily or weekly basis, as may be decided by member. The CLIENT also agrees to pay an upfront margin at the beginning of each day or week that will be sufficient to cover the daily margins for the entire duration of the day or week. If at any time during day or the week, Mark to Market (MTM) or the cumulative Mark to Market (MTM) margin falls short of the margin available in the CLIENT's account, the CLIENT agrees to heed the MEMBER's additional margin calls. As the upfront daily or weekly margin calls are purely for operational convenience, the CLIENT will ensure that margin are adequate at all times and will immediately make good any shortfall that the MEMBER may communicate.

#### **E. Payment through Cheque/ Demand Draft:**

Client understand that in case where the payment by the CLIENT towards the margin is made through a Cheque issued in favour of the MEMBER, trade(s) will be executed by the MEMBER only upon the realization of the funds of the said Cheque or at the discretion of the MEMBER. The CLIENT agrees to mention his CLIENT code along with his name on the reverse of any instrument through which he makes the payment to the MEMBER. Client further understand and agrees that the Client shall prepare Demand Draw /Pay Order out of his own funds and agrees to provide source of the funds in case of any request made by the MEMBER.

#### **F. Margin in the form of Securities:**

The CLIENT may place margin with MEMBER in form of securities as approved by the MEMBER. Such securities may at the discretion of the MEMBER be marked as lien in favour of the MEMBER from the depository account of the CLIENT or such securities may be placed in a separate depository account of the MEMBER. Client confirms that the MEMBER may, at its own discretion, treat the securities lying in the depository account of the CLIENT, as margin, where the CLIENT has executed a Power of Attorney in favour of the MEMBER, for operating the said depository account.

The CLIENT may place/deposit only those securities, which are acceptable to the MEMBER. If at any time, a particular security ceases to be on the list of approved securities. The CLIENT shall provide such other margins as may be required in place of such security.

The CLIENT understands and agrees that it is at the sole discretion of the member to determine the market value of securities placed as Margin after applying a haircut that the MEMBER deems appropriate. The Client's positions are valued at the latest market price available ( marked to market ) on a continuous basis by the MEMBER. The CLIENT undertakes to monitor the adequacy of the collateral and the market value of such securities on a continuous basis. If due to price fluctuations, there is erosion in the value of the margins, the CLIENT agrees to replenish any shortfall in the value of the Margins immediately, whether or not the MEMBER intimates such shortfall.

The CLIENT understands that the MEMBER may grant exposure to the Client at its sole discretion based on the securities purchased by the Client through the MEMBER after paying entire purchase price and which are kept in the Demat Account of the Client with Power of Attorney executed by the Client in favour of the MEMBER with a request to treat such securities as Margin.

#### **G. Type of Margin:**

The CLIENT confirms that the MEMBER has a sole discretion to prescribe the payment of Margin in the form of cash instead of securities the Client accepts to comply with the MEMBER's right of payment of Margin in the form of cash immediately failing which the MEMBER may sell, dispose, transfer or deal any other manner the securities already placed with it as Margin or square off all or some of the positions of the CLIENT as it deems fit in its discretion without further reference to the CLIENT and any resultant or associated losses that may occur due to such square off/sale shall be borne by the CLIENT, and the MEMBER is hereby fully indemnified and held harmless by the CLIENT in this behalf.

#### **H. Margin with Exchanges/Banks/Institutions :**

The CLIENT agrees that any securities placed by him/her it as Margin may in turn be placed as margin by the MEMBER with the Exchanges or clearing member or clearing house as the MEMBER may deem fit. The CLIENT authorizes the MEMBER to do all such acts, deeds and things as may be necessary and expedient for placing such securities with the Exchanges/Clearing Member/clearing house as margin.

#### **I. Shortfall in margins and other provisions.**

- (i) The Client confirms and agrees that if payment/securities towards the Margin or shortfall in Margin is not received instantaneously to enable restoration of sufficient Margin in the Client's account, all or some of the positions of the CLIENT as well as the securities of the CLIENT in the possession or control of the MEMBER may be liquidated by the MEMBER at its sole discretion, after giving prior notice to the CLIENT. The resultant or associated losses that may occur due to such squaring off or sale of such securities shall be borne by the CLIENT, and the MEMBER is hereby fully indemnified and held harmless by the CLIENT in this behalf, Such Liquidation or close out of positions shall apply to any segment in which the CLIENT does business with the MEMBER.
- (ii) The CLIENT Confirms and agrees that CLIENT is responsible for all orders including any orders that may be executed without the required Margin in the Client's account. If the Client's order is executed despite a shortfall in the available Margin, the CLIENT shall whether or not the MEMBER intimates such shortfall in Margin to the CLIENT instantaneously make up the shortfall either through delivery of shares from his own

demat account in the event of a sale, or credit the required funds in the Bank account via wire transfer or personal Cheque, Cashier's Cheque or money order or account transfer or any other mode as may be required by the MEMBER.

- (iii) The CLIENT confirms that any reference in these terms to sale or transfer of securities by the MEMBER shall be deemed to include sale of the securities, which form part of the Margin and/or such securities of the CLIENT which are in possession or control of the MEMBER, maintained by the CLIENT with the MEMBER. In exercise of the MEMBER's right to sell securities, the CLIENT agrees that the choice of specific securities to be sold shall be solely at the MEMBER's discretion.

#### **J. Amendment in Margins:**

Any amendment in the percentage of margins as required to be maintained under this terms & condition, shall be intimated by the MEMBER to the CLIENT over the telephone or in writing or by posting the details on its website [www.munoth.com](http://www.munoth.com) or such other website of the MEMBER as may be intimated. The CLIENT is required to make replenish the shortfall in such margins, if any, on demand of the same by the MEMBER or otherwise immediately.

In the event of any change in margin percentage by the Exchange, the MEMBER may change the applicable margin percent immediately and shortfall in margin on CLIENT's open position as a result of the same shall be dealt with in the same manner as specified in shortfall in margin specified herein above.

#### **K. Interest Free Margin**

All Margin provided by the CLIENT shall be interest free and the MEMBER shall not be liable to pay any interest on the same irrespective whether the same forms part of any investment by the MEMBER in fixed deposits with the Bank or in any other instrument as may be approved by the Exchange or SEBI from time to time.

### **6. EXECUTION OF ORDERS**

(a) The CLIENT confirms and agrees that placing an order with the Member including a market order, does not guarantee execution of the order. The MEMBER has the absolute right to reject any order that may be made by the CLIENT for any reason whatsoever including for the breach of the requirement of maintaining the prescribed Margin in the CLIENT account or the Bank account.

(b) The CLIENT agrees that if, under any circumstances or for any reason the market closes before the acceptance of the order by the Exchange, the order may be rejected. The Client agrees further, that the MEMBER may reject orders if the same are rejected by the Exchange for any reason. In case of rejection of an order due to rejection by the Exchange, the CLIENT agrees that the order shall remain declined and shall not be reprocessed, in any event.

(c) The MEMBER may, at its sole discretion, reject any order placed on the website, through phone, or in any other manner for any reason including, but not limited to, the non availability of funds in the trading account of the CLIENT, non availability of the securities in the Demat account of the CLIENT with the designated Depository Participant insufficiency of margin amount if the CLIENT opts for Intra-Day margin trading, suspension of scrip for trading activities by or on the Exchange, or applicability of circuit breaker to a scrip in which orders are placed or insufficient bids or offers in any particular security. The Client further understands and agrees that MEMBER shall have right to reject the orders placed by the Client and/or put circuit breakers to discourage trades getting executed at unrealistic prices from the current market price of

the security or prohibit the Client from trading in illiquid securities which creates artificial liquidity or manipulates prices or to discourage Client from cross/synchronized trading and MEMBER shall not liable for any loss arising out of non acceptance or rejection of the Client orders by the MEMBER for any such reason if the Client fails to give sufficient reason for placing such orders.

(d) The Client is aware that the Electronic Trading System either at the Exchange or in the MEMBER's office is vulnerable to disruptions, breakdown or failures. In the event of non-execution of trade orders or trade cancellation due to the happening of such events or vulnerabilities due to failure/disruption/breakdown of system of link, the CLIENT may not be able to execute the desired transactions. In such an event the MEMBER does not accept responsibility for the losses, costs, expenses or damages that may be incurred by the client due to such eventualities.

**7. PRICE OF SECURITIES:** The CLIENT understands that with respect to any order, the CLIENT will obtain the price at which the order was actually executed in the market, which may be different from the price at which the security was trading when the CLIENT' order was entered into the MEMBER's system.

**8. Pay-in of Securities /Funds:**

- (a) The Client understands and undertakes that he will give the funds and securities from his own bank and demat account respectively to honour pay-in obligations.
- (b) The Client understands that if the client trades in shares which are in Trade-to Trade Category of the respective exchanges, then the client shall give the delivery of shares for sell separately.
- (c) At all times, the client agrees to make the payment of funds only in the name and style of "ALB STOCK BROKING PRIVATE LTD" vide account payee cheque from his/her own accounts, with details of the client code and the name of the client mentioned on the reverse of the instrument.
- (d) At all times, the client agrees to transfer the securities only to the designated depository account of the member.
- (e) The client agrees that the Member shall not be held responsible for any loss or damages in respect of any funds/securities which are deposited/transferred to any account other than that of the Member's designated account under this terms & condition.
- (f) In the event of client's account receiving an incorrect credit/debit by reason of a mistake, the member shall be entitled to reverse such incorrect credit/debit at any time whatsoever. The Client shall be liable and continue to remain liable to the member for any incorrect gain obtained as a result of the same and the member reserves the right to take such remedial action/measures against the client for recovery of the erroneous credit.

**9. CANCELLATION OR MODIFICATION OF ORDERS**

The Client confirms and agrees that:

- (a) The execution of order cancellations or modifications is not guaranteed. Cancellation of orders is possible only if the original order remain pending at the Exchanges. Market orders are subject to immediate execution. The CLIENT shall not presume that an order has been executed or cancelled or modified and the Client is required to verify the status of his/its orders with the trade confirmations by the MEMBER.
- (b) Unless otherwise specified by the MEMBER, any order not executed at the end of the day shall stand cancelled.

- (c) In the event of trade cancellation due to such events or vulnerabilities MEMBER shall be entitled to cancel relative contract(s) with the CLIENT. At times, due to unforeseen circumstances the MEMBER may not be able to execute the desired transactions (either the client's own transactions or transactions for enforcing margins as provided in this terms 7 condition) on a timely basis. The MEMBER does not accept responsibility for any losses that the Client may incur on such eventualities beyond the control of the MEMBER.
- (d) The MEMBER shall have right to reject any order based on its risk perceptions.

**10. CORPORATE BENEFITS and SETTLEMENT CYCLES:** The CLIENT accepts responsibility of knowing the status of all corporate benefits like rights and bonus issues, dividends, and stock splits of shares that he/it intends to trade or which are held in his/its account. The CLIENT accepts responsibility for knowing the correct ISIN numbers of the shares in his/her/its account and the eligibility of the shares to meet share pay in obligations to the Exchange/Clearing Corporation whether received by way of purchase, rights, bonuses, stock split, off market transfers or otherwise.

### **11. OTHER CHARGES**

- (a) The CLIENT agrees to pay any applicable taxes including the securities transaction tax, duties, and levies as may be levied on the transaction from time to time.
- (b) The MEMBER shall debit the charges of the depository participant for the trades and the bank charges for the realization of cheques etc. to the CLIENT's account.
- (c) User Fees/Other charges : The Client agrees that the MEMBER or any of its affiliates may charge user fees for the use of any other services including but not restricted to internet trading ancillary service, use of the website platform and the call and trade services at rates mentioned on the website or otherwise intimated and as modified from time to time.

**12. Investment or Other Advice:** The Client acknowledges that the Stock broker/trading member shall neither be under any obligation to provide the Client with any legal, accounting, Investment advice or advice regarding the suitability or profitability of investment of any kind, nor do the Stock broker/trading member give any advice or give any opinion with respect to the nature, potential value or suitability of any particular transaction or investment strategy. The client acknowledges that the employees of the Stock broker/trading member or the Stock broker/trading member himself are not authorised to give out any advice and the clients shall at all times be responsible and liable for his own actions / inaction. The client may be able to access investment research reports through the internet from the web-site, including computerized on-line service or physical copy. The availability of such information does not constitute a recommendation to buy or sell any of the investment products. Any investment decision will be based solely on the clients own evaluation of financial circumstances and investment objective. Any real-time quotes provided are only for the clients own use and the client shall not furnish such data to any other person or entity.

### **13. Internet Based Trading Services:**

- i. The CLIENT is aware that authentication technologies and strict security measures are required for the internet trading through order routed system and undertakes to ensure that the password of the CLIENT and/or his authorised representative are not revealed to any third party.
- ii. The CLIENT agrees that the STOCK BROKER/TRADING MEMBER shall not be liable or responsible for non-execution of the orders of the CLIENT due to any link/system failure at the CLIENT/ STOCK BROKERS/TRADING MEMBERS/EXCHANGE end.



**14. Suo-moto Trade Cancellation:** The Stock Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, STOCK BROKER/TRADING MEMBER shall be entitled to cancel relative contract(s) with CLIENT.

**15. Order/Trade Confirmation:** The STOCK BROKER/TRADING MEMBER shall also send the Order/Trade confirmation slip through E-mail to the CLIENT at his written request, within 24 hours from the time of execution of order/trade on the system, as the case may be. The CLIENT agrees that the information sent by STOCK BROKER/TRADING MEMBER by E-mail is deemed to be a valid delivery of such information by the STOCK BROKER/TRADING MEMBER.

**16. Jurisdiction:** The Member and the Client declare and agree that the transaction executed on the Exchange are subject to the Rules, Byelaws and Regulations and circulars issued there under of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Bye laws and regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws, and Regulations of the Exchange and the circulars issued there under.

The MEMBER hereby agrees that it shall ensure that settlement of any arbitration proceedings arising out of the transactions entered into between the Member and the Client and that it shall be liable to implement the arbitration awards made in such proceedings.

This service does not constitute an offer to sell or a solicitation of an offer to buy any shares, securities or other instruments to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. This service is not intended to be any form of an investment advertisement, investment advice or investment information and has not been registered under any securities law of any foreign jurisdiction and is only for the information of any person in any jurisdiction where it may be lawful to offer such a service. Further, no information on [www.munoth.com](http://www.munoth.com) is to be construed as a representation with respect to shares, securities or other investments regarding the legality of an investment therein under the respective applicable investment or similar laws or regulations of any person or entity accessing [www.munoth.com](http://www.munoth.com).

**17. Provisions in case of Default:** In the event of a default of a Trading/Clearing Member on his own account, the Client's money will not be utilised to meet the Member's liabilities. In such cases, the Client's positions shall be either transferred to another solvent member or closed-out as per the provisions of the Rules, Bye-laws and Regulations of the Derivatives Segment/Currency Derivatives Segment or the Clearing House. The loss, if any, caused to the Client because of such action would be recoverable by the Client from the Member. In the event of failure of the Client to fulfill his obligations to the Member, the Derivatives Segment or the Clearing House, the Client's position may be closed out and the money, if any, of the Client available with the Member or with any other member, the Derivatives Segment or the Clearing House may be adjusted against the Client's liabilities/ obligations.

**18. Sharing of information:** The Client agrees to immediately furnish information to the Member in writing if any winding up petition or insolvency petition or order has been filed or passed against him or any garnishee order has been served upon him or in respect of his obligations by a bank, or if any litigation has been filed against him or if any order, decree or award is passed against him. Similarly, the Member agrees to inform Client immediately about the contract specifications and associated obligations and daily settlement position. The Member will also inform the Client if the price of the futures contract or index has moved against the Client and the extent of the Client's daily obligations.

**19. Legal Disability or Death:** In the event of death or insolvency of the Client or his otherwise becoming incapable of entering into Cash/Derivatives contracts, the Member may close out the transactions of the Client and the Client or the Client's representatives/heirs shall be liable for any outstanding positions in the contracts entered into by the Client. In

case of any amount accruing to the account of the Client, the Client or the Client's representatives/heirs shall also be entitled to receive the surplus.

**20. Arbitration:** The CLIENT agrees and confirms that except for the claims/disputes which are subject to the Rules and Regulations of the respective Exchanges on which the trades have been executed. Any and all claims and disputes arising out of or in connection with this terms and condition or its performance shall be settled by arbitration by a single arbitrator. The reference to arbitration, The Court at the place specified by the Client for holding the arbitration proceedings or, if law does not permit the same, the Courts at the city in which the Client concerned office is situated, shall have exclusive jurisdiction in relation to this terms & condition, the arbitration and all matters arising in connection herewith and therewith. The arbitration shall be governed by the provisions of the Arbitration and Conciliation Act,1996.

The Client and Member agree to refer any claims and / or disputes which are subject to Rules and Regulation of the respective exchange on which the trades have been executed to arbitration as per the Rules, Bye-laws and Regulations of the Cash /Derivatives Segment of the Exchange as amended from time to time.

## **21. DELAYED REPORTING OF TRANSACTION**

The CLIENT confirms and agrees that:

- (a) If trades or transactions are reported late to the MEMBER on account of any problems at the Exchange or for whatsoever reason, the CLIENT in turn will be subject to late reporting of transactions.
- (b) In addition, any errors reported to the CLIENT for any reason whatsoever will stand subsequently corrected to reflect the transaction that was effected in the market.

**22. CHANGE OF ADDRESS :** Unless the CLIENT informs the MEMBER of the change of the address for communication in writing, all notices, circulars, communication or mail sent to the existing address shall be deemed to have been received by thee CLIENT irrespective of whether they are actually received or not.

**23. MEMBER' S LIABILITY :** Under no circumstances shall the MEMBER or anyone involved in creating, producing, delivering or managing the Member's services be liable for any direct, indirect, incidental, special or consequential damages that result from the use of or inability to use the service, delay in transmission of any communication, in each case for any reason whatsoever (including on account of breakdown in systems) or out of any breach of any warranty or due to any fraud committed by any person whether in the employment of the MEMBER or otherwise.

**24. RESERVE BANK OF INDIA GUIDELINES:** The Client is aware that as per the RBI guidelines. The Foreign Institutional Investors (FIIs), Non-Resident Indians (NRIs) and Persons of Indian Origin (PI Os) are allowed to invest in the secondary capital market in India through the portfolio investment scheme (PIS). Under this scheme, FIIs /NRIs can acquire shares/debentures of Indian companies through the stock exchanges in India. These investments are governed and monitored on daily basis by the Reserve Bank of India (RBI). On reaching the aggregate ceiling limit as fixed by RBI from time to time, the RBI advises all designated bank branches to stop purchases on behalf of their FIIs/NRIs/PIOs clients. The Reserve Bank also informs the general public about the 'caution' and the 'stop purchase' in these companies through a press release.

The Client being an FII/NRI/PIO hereby acknowledges that he is aware of the RBI guidelines in relation to his investments in the secondary market in India. The Client hereby agrees to keep himself abreast of the ceiling limits on investments as published by

RBI from time to time. And also agrees that he shall immediately reverse his transaction, if such transaction breaches the ceiling limits as imposed by RBI. In case the Client does not / is unable to reverse such transaction immediately, the client authorizes the Member to do so under intimation to the client.

## **25. MISCELLANEOUS PROVISIONS GOVERNING THE TERMS:**

(a) **LIMITATION OF LIABILITY:**

The MEMBER does not guarantee, and shall not be deemed to have guaranteed, the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages disseminated to the Client or the execution of the orders placed by the CLIENT. The MEMBER shall not be liable for any inaccuracy, errors or delay in, or omissions of 1) any such data, information or messages, or 2) the transmission or delivery of any such data, information or messages, due either to any act or omission by the MEMBER or to any "Force Majeure" event (e.g. flood, extraordinary weather condition, earthquake or other any act of God, fire, war, insurrection, riot, labour dispute, accident, action of government, communication, power failure, shut down of the systems for any reason ( including on account of computer viruses, equipment or software malfunction) any fraud committed by any person whether in the employment of the MEMBER or otherwise or any cause within beyond the reasonable control of the MEMBER. 3)cancellation or non execution of the order placed by the CLIENT with the MEMBER)

The MEMBER shall not be liable for any inaccuracy, error, false statement, misrepresentation or fraud committed any sales or other associates/third parties engaged by the MEMBER to promote the services offered by it. The CLIENT agrees that he/she/it places no reliance on such persons and will exercise due care and diligence in relying on any statements made any persons.

(b) **REPRESENTATIVE AND WARRANTIES OF CLIENTS**

(i) The CLIENT hereby represents and warrants that the terms and conditions have been clearly understood and that the information furnished to the MEMBER is accurate and truthful.

(ii) The CLIENT confirms that he/she is of legal age and he/she/it has obtained the necessary approvals from the relevant regulatory/legal and compliance authorities to avail the services provided pursuant to the terms of this document.

(c) **SHARING INFORMATION:**

The Client agrees and confirms that the MEMBER may appoint agents for carrying out the acts mentioned in or in relation to this document. The CLIENT consents to sharing of his/ its accounts related information to the authorized agents appointed by the MEMBER.

(d) **TAPE RECORDING OF CONVERSATION**

The CLIENT is aware that the MEMBER tape-records the conversations between the client's representative and the MEMBER, either personally or over the telephone, and hereby specifically permits the MEMBER to do so. Such recording may be relied upon by the MEMBER as and when required to resolve disputes in connection with the trading transaction.

(e) **CONCLUSIVENESS OF RECORDS**

The MEMBER's own records of the trades/transactions maintained through computer systems or otherwise shall be accepted as conclusive and binding on the CLIENT for all purposes.

(f) The CLIENT understands and confirms that the CLIENT has the option to terminate the applicability of the voluntary terms and conditions including the terms and conditions applicable for special facility that may be provided by the Member by giving advance notice to the MEMBER in writing of not less than 15 days. Provided however that the terms and conditions shall become applicable for

all the close out trades that may be executed by the CLIENT or the MEMBER subsequent to such termination.

(g) INDEMNITY

(i) The CLIENT agrees and confirms that though orders are generally routed to the marketplace immediately after the time the order is placed by the CLIENT on the system there may be a delay in the execution of the order due to any link/system failure at the CLIENT/MEMBER/Exchange's end. The CLIENT hereby specifically indemnifies and holds the MEMBER harmless from any and all claims, and agrees that the MEMBER shall not be liable for any loss, actual or perceived, caused directly or indirectly by government restriction, exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the internet, shut down of systems for any reason ( including on account of computer viruses), unauthorized access, theft, any fraud committed by any person whether in the employment of the MEMBER or otherwise or any problem, technological or otherwise, that might prevent the CLIENT from contacting.

(ii) The CLIENT further confirms and agrees that client will not be compensated by the MEMBER for any 'lost opportunity' viz. notional profits on buy/sell orders which could not be executed due to any reason whatsoever, including but not limited due to time lag in the execution of the order or the speed at which the system of the MEMBER or of the Exchanges is operating, any shutting down by the MEMBER of his/her/its system for any reason of the MEMBER disabling the Client from trading on its system for any reason whatsoever.

(h) ASSIGNMENT

The CLIENT confirms and agrees that CLIENT shall not assign or transfer all or any of its rights or obligations.

(i) SEVERABILITY

The CLIENT confirms and agrees that in case anyone or more of the terms and conditions confirmed by the CLIENT becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereto.

**26. ADDRESS FOR COMPLAINT/INVESTOR GRIEVANCES AND COMMUNICATION:** The CLIENT understands and confirms to send all the complaints and queries in case of any grievances or complaint arising out of and in the course of trading in securities client will send the complaint on the email [grievances@munoth.com](mailto:grievances@munoth.com). Alternatively the Client shall send the written complaint marked to Investor Grievance Cell at correspondence office of MUNOTH CAPITAL MARKET LTD. The Client further understands and agrees that MEMBER may take 7 working days time to reply on such Complainant / Query.

**29. Termination:** This document may be terminated by either party by giving notice to the other party in writing without Notice Period. However such termination shall not affect the rights and obligations of a party hereunder in respect of Derivatives contracts and transactions entered into prior to such termination.

Signature of Client

Client Name:

Client Code:

**RUNNING ACCOUNT AUTHORIZATION**

I/We hereby authorize(s) the MEMBER to maintain a running account, instead of settlement to settlement clearance of funds / securities due to me/us.

The payout of funds / securities may be retained by the MEMBER and no interest shall be payable, by the MEMBER on such securities / funds so retained.

I/We also authorize(s) the MEMBER to consider the funds/securities so retained by the MEMBER towards collateral margin for allowing enhanced gross exposure to me/us.

I/We agree(s) that the MEMBER shall not be liable for any claim for loss of profit, or for any consequential, incidental, special or exemplary damages, caused by retention of such securities / funds under this document or otherwise.

On written request of the CLIENT the MEMBER may release funds/securities to him, if sufficient margins in respect of his trading, across the Stock Exchange(s) and across the segments of the stock exchange(s) are available with the MEMBER, within one working day of the request if the same are lying with him and within three working days from the request if the same are lying with the Clearing Member/Clearing Corporation..

Notwithstanding anything contained in this authorization, the actual settlement of funds and securities, except for funds received from the clients towards collaterals/margin in the form of bank guarantee (BG)/Fixed Deposit receipts (FDR), shall be done by the member, at least once in a calendar **quarter or month** (*Strike off anyone option*). For the clients having outstanding obligations on the settlement date, the Member may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. There shall be no inter-client adjustments for the purpose of settlement of the 'running account'.

**TO avoid the administrative/operational difficulties in setting my/our account, I/We request you to retain an amount of up to 10,000/- (Rupees Ten Thousand Only) (net amount across segment and across stock exchanges) as per SEBI and Exchange directives."**

This authorization may be revoked at any time by me/us by giving written notice to the member without notice period.

Client Code:

Client Name;

Date of Authorization:

Signature:

(To be signed by client himself and not by any authorised person on his behalf or holder of the Power of Attorney)

**Undertaking and Authorization for Utilization of Securities as Collateral**

I/We do hereby solemnly affirm and declare as under:

1. That during the course of my/our trading / investing through MUNOTH CAPITAL MARKTE LTD on the National Stock Exchange of India Ltd. And Bombay Stock Exchange Limited, securities shall be provided by me/us and be accepted at your terms as collateral for maintenance of margins / providing trading limits on any of the exchange segments.
2. That I/We hereby authorize member to utilize any such securities retained in my/our account with you for my dealings in any segment towards collateral.
3. That I/We hereby authorize member to deposit / pledge these securities with a clearing house / clearing member /exchange to provide or adjust for cash - limits / margins.
4. That these securities shall be valued at current market prices and credit (referred as collateral amount) shall be assigned only after applying the due hair - out percentages, which shall vary from security to security.
5. That I/We undertake to replenish any shortfall in the value of securities in the form of additional securities and / or cash, as is acceptable to member by the start of the next trading session from the time of member intimating me/us on such shortfall either orally or in writing.
6. That I/We hereby authorize member to dispose / liquidate my/our securities to meet any shortfall in margins and / or adjust any outstanding dues in my/our account with member.
7. That I/We shall intimate member in advance for any release of securities from your custody / from such entity with which those securities may have been deposited pledged. I / we accept that member shall not be releasing the securities pending any outstanding positions and dues in my/our account with member. Further member shall transfer the securities lying in the credit of the client within one working day of the request if the same are lying with him and within three working days from the request if the same are lying with the Clearing Member/Clearing Corporation.
8. That I/We shall intimate member at least 2 days in advance, but under no circumstance later than "T" days (T refers to a sale transaction date) to adjusting my/our securities with you against my/our sale obligation in the same securities in any exchange - segment. I/We hereby undertake to fulfill any shortfall in the collateral amounts arising out of such adjustment of securities, before the scheduled securities pay-in-date at the exchange, failing which member shall not be responsible for shortage in securities pay-in.
9. That in future I/We shall not make any claim from member, in any manner whatsoever for any losses and costs arising of shortage in securities pay-in mentioned in point 7 & 8 and delay in releasing my securities back, due to reasons associated with depository participant / clearing house / clearing member.
10. That I/We have given the above authority to member with my/our free consent and without any pressure, threat or coercion from any corner whatsoever.
11. This authorization may be revoked at any time by me/us by giving written notice to the member.

Client Name:

Client Code:

Signature:

**AUTHORISATION FOR RECEIVING DIGITALLY SIGNED ELECTRONIC DOCUMENTS**

1. Whereas the Client has requested Member to transmit contract notes, statement of accounts, daily margin information, bills, circulars, debit-credit notes, confirmations, periodical submissions of statement of accounts for securities and margins and such other communication in soft form under digital signature obtained from a valid certifying authority as provided under the Information Technology Act, 2000 and in accordance with circulars, clarifications, guidelines, rules, regulations of SEBI and the Stock Exchange. And whereas Member having agreed, both the parties to this document hereby agree as under:
  - a. Member shall be duly discharged from its obligations upon transmission of the contract notes, confirmation of trades executed on behalf of the client and all such other communications as stated hereinabove at the Client's digital address. However stock broker/trading member shall send/issue Statement of Funds and Securities as on 31<sup>st</sup> March every year, in writing, to the client. The client further agrees and understands that all information transmitted by Member shall be binding on the Client, subject to the Client pointing out error, if any in writing within 24 hours from the transmission of documents in soft form. However the period of error reporting in case of statement of funds and securities shall be 7 days in stead of 24 hours.
  - b. In case of non-receipt of digitally transmitted documents, from Member, the client may request Member to send duplicate copy of such document either in soft form or hard copy thereof.
  - c. The client shall communicate to Member his/her electronic/e-mail address, and undertakes the responsibility to ensure the secrecy of login name and password. The client hereby agrees to communicate in writing regarding any change in their electronic/e-mail address forthwith.
  - d. The Client shall be provided with a login ID and password to login on MEMBER's portal and undertakes the responsibility to ensure the secrecy of login name and password. The term "Portal" here means an Internet portal or Website where the Client can view these documents after login id and password to log in to the said portal for viewing these documents after login as specified by the Member from time to time.
  - e. Upon login the Client shall be able to view these documents after verifying them online using a "verify" button on the Portal. A "Verifier Software" utility residing at the server end of the Portal would carry out this verification.
  - f. The viewing of the documents without the "Verifier Software" utility is not valid. Any printouts of the contract notes and the documents, which have been opened without using "Verifier Software" utility, are also not legally valid documents.
  - g. Due to capacity constraints, it would not be possible to keep such documents ad-infinitum on the server. In such a case, the documents older than three months would be removed and shall be made available to the Clients upon request.
  - h. Non receipt of bounced mail notification by the member shall amount to delivery of contract note at the e-mail id of the client.
  - I. I/we confirm that sending of e-mail on any of the following id shall be sufficient delivery to me.

My/our e-mail id(s) are 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

Client Name:  
Client Code:  
Signature:

(To be signed by client himself and not by any authorised person on his behalf or holder of the Power of Attorney)

**CONFIRMATION OF NOTING**

We confirm that we have made note of the following:

1. That you trade in your OWN/PRO account.
- 2. That your investor grievance email ID is grievances@munoth.com**
3. That I have read all the mandatory and voluntary terms and conditions and do consent for the same.
4. That we have to furnish *I* update Financial Details every year to the Member as per SEBI *I* PMLA requirements.
5. That I/We have read/understood the Anti Money Laundering Policy & Procedure and I know that the same is **made available on your website www. munoth.com**
6. That I/We agree/s that I/We am/are responsible for clearing out my debit ledger balance to NIL at least **once in a Calendar Quarter/Month as per my preference selected at the time of account opening.**
- 7. That any Voluntary terms and conditions which is in violation of exchange/SEBI rules and regulations and circular issued from time to time shall become null and void.**

Thank you,

**Signature:**

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**Acknowledgement Copy**

**I have received copy of the following documents:**

- ✓ Account opening form
- ✓ Rights & Obligations
- ✓ Risk Disclosure Documents
- ✓ Guidance Note
- ✓ Tariff Sheet
- ✓ Policies and Procedures
- ✓ Terms and Conditions
- ✓ Running Account Authorization
- ✓ Electronic Contract Authorization
- ✓ Undertaking & Authorization for Utilization of Securities as collaterals
- ✓ Confirmation & Noting

**Signature:**

**Name:**