

## Annexure - 1

### ACCOUNT OPENING KIT

#### INDEX

#### MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES

S. No.	Name of the Document	Brief Significance of the Document	
1	Account Opening Form (Signatures Required)	<b>Annexure 2</b> - KYC form – As provided by KRA	Page 3
		<b>Annexure 3</b> - Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	Page 6
2	Rights and Obligations (For Information)	<b>Annexure 4</b> - Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	Page 8
3	Risk Disclosure Document (RDD) (For Information)	<b>Annexure 5</b> - Document detailing risks associated with dealing in the securities market.	Page 16
4	Guidance note (For Information)	<b>Annexure 6</b> - Document detailing do's and don'ts for trading on exchange, for the education of the investors.	Page 22
5	Policies and Procedures (For Information)	<b>Annexure 7</b> - Mandatory document dealing with policies and procedures (pursuant to SEBI's Circular MIRSD/SE/Cir-19/2009 dated December 3, 2009)	Page 24
6	Tariff sheet (Signatures Required)	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s)	Page 28
7	FATCA Form (Signatures Required)	FATCA Form for Non-Individual	Page 29

Name of Trading Member: **Batlivala & Karani Securities India Pvt. Ltd.**

Exchange		New SEBI Registration No.
1.	National Stock Exchange of India Ltd. – Cash & FO Segment	INZ000284836
2.	Bombay Stock Exchange Ltd. – Cash Segment	

Registered office address: **Room No. 3 & 4, 7 Lyons Range, Kolkata – 700 001, West Bengal, India. Tel: +91 33 2243 7902 Fax: +91 33 2231 3610 Website: [www.bksec.com](http://www.bksec.com)**

Correspondence office address:

**Unit No. 1101, 1103, 1104, 11th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Near Guru Nanak Hospital, Bandra East, Mumbai 400051 Maharashtra, India. Ph: +91 22 40317000/ 40076000  
Fax: +91 22 26510024 / 26401520 Website: [www.bksec.com](http://www.bksec.com)**

Compliance officer: **Meenu Walia** Tel. +91 22 4031 7240 E-Mail: [meenu.walia@bksec.com](mailto:meenu.walia@bksec.com)

Director Name: **Mr. Jitendra Ssoni** Tel. +91 22 4031 7219 E-Mail: [jitendra.ssoni@bksec.com](mailto:jitendra.ssoni@bksec.com)

*For any grievance/dispute please contact **Batlivala & Karani Securities India Pvt. Ltd.** at the above address or email id- [investorcomplaints@bksec.com](mailto:investorcomplaints@bksec.com) and Phone no. +91 22 40317249/41. In case not satisfied with the response, please contact the concerned exchange(s) at:*

Exchange	Web Address	Contact No	Email Id
NSE	<a href="http://www.nseindia.com">www.nseindia.com</a>	+91 22 26598190 / 1800220058	ignse@nse.co.in
BSE	<a href="http://www.bseindia.com">www.bseindia.com</a>	+91 22 22728097	is@bseindia.com

**Proprietary Trade Declaration**

In pursuance of SEBI Circular No: SEBI/MRD/SE/Cir-42/2003 dated November 19, 2003, We Batlivala & Karani Securities India Pvt. Ltd. hereby declare that we do invest / trade in Capital / Derivative Segment for client based business and proprietary trading as well.

# Know Your Client (KYC) Application Form (For Non-Individuals Only)



Application No. :

Please fill in ENGLISH and in BLOCK LETTERS

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

1. Name of Applicant (Please write complete name as per Certificate of Incorporation / Registration; leaving one box blank between 2 words. Please do not abbreviate the Name).

2. Date of Incorporation    /    /      Place of Incorporation 3. Registration No. (e.g. CIN)                          Date of commencement of business    /    /      4. Status Please tick (✓) ☐ Private Ltd. Co. ☐ Public Ltd. Co. ☐ Body Corporate ☐ Partnership ☐ Trust / Charities / NGOs ☐ HUF ☐ FI ☐ FII  
☐ FPI Category I ☐ FPI Category II ☐ FPI Category III ☐ AOP ☐ Bank ☐ Government Body ☐ Non-Government Organisation  
☐ Defence Establishment ☐ Body of Individuals ☐ Society ☐ LLP ☐ Others (Please specify) \_\_\_\_\_5. Permanent Account Number (PAN) (MANDATORY)                          Please enclose a duly attested copy of your PAN Card**B. Address Details (please see guidelines overleaf)**

1. Address for Correspondence

City / Town / Village

State

Country

Postal Code

2. Contact Details

Tel. (Off.) (ISD) (STD)

Mobile (ISD) (STD)

E-Mail Id.

Tel. (Res.) (ISD) (STD)

Fax (ISD) (STD)

3. Proof of address to be provided by Applicant. Please submit ANY ONE of the following valid documents &amp; tick (✓) against the document attached.

☐ \*Latest Telephone Bill (only Land Line) ☐ \*Latest Electricity Bill ☐ \*Latest Bank Account Statement ☐ Registered Lease / Sale Agreement of Office Premises  
☐ Any other proof of address document (as listed overleaf) (Please specify) \_\_\_\_\_\*Not more than 3 Months old. Validity/Expiry date of proof of address submitted    /    /      

4. Registered Address (If different from above)

City / Town / Village

State

Country

Postal Code

5. Proof of address to be provided by Applicant. Please submit ANY ONE of the following valid documents &amp; tick (✓) against the document attached.

☐ \*Latest Telephone Bill (only Land Line) ☐ \*Latest Electricity Bill ☐ \*Latest Bank Account Statement ☐ Registered Lease / Sale Agreement of Office Premises  
☐ Any other proof of address document (as listed overleaf) (Please specify) \_\_\_\_\_\*Not more than 3 Months old. Validity/Expiry date of proof of address submitted    /    /      **C. Other Details (please see guidelines overleaf)**

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

2. Any other information:

**DECLARATION**

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

Place: Date: NAME & SIGNATURE(S)  
OF AUTHORISED  
PERSON(S)**FOR OFFICE USE ONLY**

AMC/Intermediary name OR code

☐ (Originals Verified) Self Certified Document copies received☐ (Attested) True copies of documents received

Seal/Stamp of the intermediary should contain:

Staff Name

Designation

Name of the Organization

Signature

Date

**A. IMPORTANT POINTS:**

1. Self attested copy of PAN card is mandatory for all clients.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO card/OC card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor or photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

**B. Proof of Identity (POI):** List of documents admissible as Proof of Identity:

1. PAN card with photograph. This is a mandatory requirement for all applicants except those who are specifically exempt from obtaining PAN (listed in Section D).
2. Unique Identification Number (UID) (Aadhaar)/Passport/Voter ID card/Driving license.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

**C. Proof of Address (POA):** List of documents admissible as Proof of Address: (\* Documents having an expiry date should be valid on the date of submission.)

1. Passport/Voters Identity Card/Ration Card/Registered Lease or Sale Agreement of

Residence/Driving License/Flat Maintenance bill/Insurance Copy.

2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook - Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

**D. Exemptions/clarifications to PAN**

(\* Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50,000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

**E. List of people authorized to attest the documents:**

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy/Consulate General in the country where the client resides are permitted to attest the documents.

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

Types of entity	Documentary requirements
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year)</li> <li>• Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year)</li> <li>• Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations</li> <li>• Photograph, POI, POA, PAN of individual promoters holding control – either directly or indirectly</li> <li>• Copies of the Memorandum and Articles of Association and certificate of incorporation</li> <li>• Copy of the Board Resolution for investment in securities market</li> <li>• Authorised signatories list with specimen signatures</li> </ul>
<b>Partnership firm</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year)</li> <li>• Certificate of registration (for registered partnership firms only)</li> <li>• Copy of partnership deed</li> <li>• Authorised signatories list with specimen signatures</li> <li>• Photograph, POI, POA, PAN of Partners</li> </ul>
<b>Trust</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year)</li> <li>• Certificate of registration (for registered trust only). Copy of Trust deed</li> <li>• List of trustees certified by managing trustees/CA</li> <li>• Photograph, POI, POA, PAN of Trustees</li> </ul>
<b>HUF</b>	<ul style="list-style-type: none"> <li>• PAN of HUF</li> <li>• Deed of declaration of HUF/List of coparceners</li> <li>• Bank pass-book/bank statement in the name of HUF</li> <li>• Photograph, POI, POA, PAN of Karta</li> </ul>
<b>Unincorporated Association or a body of individuals</b>	<ul style="list-style-type: none"> <li>• Proof of Existence/Constitution document</li> <li>• Resolution of the managing body &amp; Power of Attorney granted to transact business on its behalf</li> <li>• Authorised signatories list with specimen signatures</li> </ul>
<b>Banks/Institutional Investors</b>	<ul style="list-style-type: none"> <li>• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years</li> <li>• Authorised signatories list with specimen signatures</li> </ul>
<b>Foreign Institutional Investors (FII)</b>	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate</li> <li>• Authorised signatories list with specimen signatures</li> </ul>
<b>Army/Government Bodies</b>	<ul style="list-style-type: none"> <li>• Self-certification on letterhead</li> <li>• Authorised signatories list with specimen signatures</li> </ul>
<b>Registered Society</b>	<ul style="list-style-type: none"> <li>• Copy of Registration Certificate under Societies Registration Act</li> <li>• List of Managing Committee members</li> <li>• Committee resolution for persons authorised to act as authorised signatories with specimen signatures</li> <li>• True copy of Society Rules and Bye Laws certified by the Chairman/Secretary</li> </ul>

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

Name of Applicant \_\_\_\_\_ PAN of the Applicant \_\_\_\_\_

Sr. No.	PAN	Name	DIN (For Directors) / Aadhaar Number (For Others)	Residential / Registered Address	Relationship with Applicant (i.e. promoters, whole time directors etc.)	Photograph

## Annexure – 3

### TRADING ACCOUNT RELATED DETAILS

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. Unique Client Code (UCC) and Custodian Participant Code:**

UCC Code	NSE CP Code	BSE CP Code

**D. Back Office Contact Details:**

Contact Person	Tel No	Mobile	Email

**E. Front Office Contact Details:**

Contact Person	Tel No	Mobile	Email

- F. Format of Trade Confirmation (if other than the prescribed contract note format, please provide a sample trade confirmation file):** *(Please specify the e-mail ids (distribution list) for sending the trade confirmations)*  
 Trade confirmations can also be sent through OMGEO – our BIC Code is BKSEINB1XXX. You may provide us your acronym so that the same can be sent through OMGEO

STP Provider	:	
Omgeo Code (if any)	:	
Email Id	:	
Group Email Id	:	

**G. Gross Annual Income Details (please specify): Income Range per annum:**

- Below Rs 1 Lac / 1-5 Lac / 5-10 Lac / 10-25 Lac / 25 Lacs-1 crore/ > 1 crore
- OR

**H. Net Worth as on (Date).....(dd/mm/yyyy):.....(\*Net Worth Should Not Be Older Than 1 Year)**



**I. 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, if any)**

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**J. TRADING PREFERENCES**

Please sign in the relevant boxes where you wish to trade. Please strike off the segment not chosen by you.		
Exchanges	NSE, BSE	
All Segments	Cash	F&O
Signature		
If you do not wish to trade in any of segments, please mention here _____.		

**K. PLEASE TICK, IF APPLICABLE FOR ANY OF YOUR AUTHORIZED SIGNATORIES / PROMOTERS / PARTNERS / KARTA / TRUSTEE / WHOLE TIME DIRECTOR:**

Politically Exposed Person (PEP)/ Related to a Politically Exposed Person (PEP)

**L. 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 (www.bksec.com), if any.

Date -----

 (.....)

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

Any queries relating to the client account details can be addressed to the following (Please specify the contact details, if different from the above):

Title:	:	
Name:	:	
Designation:	:	
Address:	:	
Tel.:	:	
E-Mail:	:	

#### **Annexure - 4**

### **RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS as prescribed by SEBI and Stock Exchanges**

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

#### **CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any

litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

## MARGINS

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

## TRANSACTIONS AND SETTLEMENTS

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo 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.

## **Annexure – 5**

### **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.

## Annexure-6

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

BEFORE YOU BEGIN TO TRADE
<ol style="list-style-type: none"> <li>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 <a href="http://www.exchange.com">www.exchange.com</a> and SEBI website <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>.</li> <li>2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>6. Obtain a copy of all the documents executed by you from the stock broker free of charge.</li> <li>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.</li> </ol>
TRANSACTIONS AND SETTLEMENTS
<ol style="list-style-type: none"> <li>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.</li> <li>9. Don't share your internet trading account's password with anyone.</li> <li>10. Don't make any payment in cash to the stock broker.</li> <li>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.</li> <li>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.</li> <li>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: <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol> </li> </ol>

and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.

- d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.

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

#### IN CASE OF TERMINATION OF TRADING MEMBERSHIP

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

#### DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker 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 Policies and Procedures

(pursuant to SEBI's Circular MIRSD/SE/Cir-19/2009 dated December 3, 2009)

### 1. Refusal of order for Penny stocks :

Although, the term "Penny Stock" has not been defined by BSE / NSE/MCX-SX or any other stock exchange or by SEBI, a "Penny Stock" generally refers to a stock which has following characteristics:

1. Has small market capitalization;
2. Trades at a price less than its face value;
3. Has unsound fundamentals;
4. Is illiquid

Batlivala & Karani Securities India Pvt. Ltd. (B&K Securities) shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid "options", far month "options", writing of "options", stocks in S,Z and B2 category and any other contracts which as per the perception of B&K Securities are extremely volatile or subject to Market manipulation. B&K Securities may take appropriate declarations from the clients before accepting such orders. The clients is advised not to deal in penny stocks and if a client deals in the such stocks, 100% margin will be taken from him in advance and these shares will not be taken to as Margin deposit.

Batlivala & Karani Securities India Pvt. Ltd. may cancel orders in such scrips received from clients before execution or after partial execution without assigning any reason thereof. Batlivala & Karani Securities India Pvt. Ltd. may take appropriate declaration from clients before accepting such orders.

### 2. Setting up Clients Exposure Limits:

The maximum gross exposure for the corporate clients shall be Rs.5 Crore on delivery basis on a single day. The client will ensure that early pay-in The Client will ensure that early pay-in of securities in case of sale trade is made on T+1 and in case of purchase trade, the entire obligation is required to be met by the client on T+1. The Client shall not execute intraday trades with Batlivala & Karani Securities India Pvt. Ltd. The maximum gross exposure limit stated above can be revised by approval of the RMS in consultation with such requests from client to trade beyond the said exposure limit.

### 3. Applicable Brokerage Rates

Brokerage shall be applied as per the rates agreed upon between the client and the sales personnel/dealer at B&K Securities. The rate of Brokerage is subject to change as mutually agreed between the client and the trader, subject to it shall not exceed the maximum brokerage permissible under Exchange bye-laws.

The slab rates of brokerage fixed by B&K Securities are function of the quality and cost of services provided to the client and the volume and revenue expected from an account. It shall be reviewed by the B&K Securities from time to time and may be increased with prospective effect at a notice of 15 days sent to the E-mail address or postal address of the client registered with B&K Securities.



The brokerage rate shall be inclusive of all applicable taxes, duties, fees etc. and shall be exclusive of Securities Transaction Tax (STT), which shall be charged separately at the applicable rate on the contract note.

#### 4. Imposition of penalty / delayed payment charges by either party, specifying the rate and the period

Exchanges levy various penalties on the member brokers on auction resulting from short deliveries and for other reasons which may be defined by the Exchange from time to time. B&K Securities is therefore authorized by the client to pass on any penalty imposed by the Exchange/SEBI and or any other regulatory authority to the client, which arises on account of the client. Batlivala & Karani Securities India Pvt. Ltd. is an institutional stock broker, which caters to the trading needs of institutional clients such as Bank, Mutual Fund, FII's etc. All trades of institutional clients are settled by custodians & all trades of other clients are settled on bill to bill basis. Batlivala & Karani Securities India Pvt. Ltd. do not levy delayed payment charges.

#### 5. Temporarily suspending or closing a client's account at the client's request

B&K Securities may carry a periodic review of the client accounts and may suspend the accounts from Trading in the following circumstances:

1. The client is inactive for more than 2 year
2. The client has uncleared debits.
3. The account is under investigation by any regulatory body/exchange and notices have been served to the intermediaries.
4. On notices received from statutory, Government or Local authorities and Income Tax, Service Tax, a Judicial or a Quasi Judicial authority, etc

B&K Securities may also suspend the account based on the written request received from the client.

#### 6. Deregistering a client

Batlivala & Karani Securities India Pvt. Ltd. may, at its absolute discretion, decide to deregister a particular client. The illustrative Circumstances under which B&K Securities Ltd. may deregister a client are given below:

- a. B&K Securities may de-register the client account based on action taken by SEBI/NSE/BSE or being part of list of debarred entities published by SEBI.
- b. Such client's name appears in the UN list of prohibited entities or in the SEBI debarred list.
- c. Batlivala & Karani Securities India Pvt. Ltd. shall have the right to deregister a client after serving a 15 days written notice without assigning any reason thereof.

7. The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues:

Batlivala & Karani Securities India Pvt. Ltd. has the right to close out / liquidate or square off any open position of the retail client (limited to the extent of settlement / margin obligation), without giving any prior notice, all or any of the client's positions as well as securities / collaterals placed as margins for non-payment of margin or other amounts due from such client in respect of settlement or any other dues that are recoverable from the client by Batlivala & Karani Securities India Pvt. Ltd. The proceeds of the same shall be adjusted against the client's liabilities / obligations. Any loss or financial charges on account of such close-out / liquidation shall be debited to the retail client's account.

8. Shortages in obligations arising out of internal netting of trades:

Batlivala & Karani Securities India Pvt. Ltd. is an institutional stock broker, which caters to the trading needs of institutional clients such as Bank, Mutual Fund, FII etc. All trades of institutional clients are settled by custodians. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

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

9. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of the client

Batlivala & Karani Securities India Pvt. Ltd. may refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by Batlivala & Karani Securities India Pvt. Ltd. / exchange/ SEBI and any other reasons which Batlivala & Karani Securities India Pvt. Ltd. may deem appropriate in the circumstances:

- a. Batlivala & Karani Securities India Pvt. Ltd. shall have absolute discretion and authority to limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following conditions:
- b. Extreme volatility in the market or in particular scrip or in the F&O segment.
- c. Due to abnormal rise or fall in the market, the markets are closed.
- d. There is shortfall in the margin deposited by client with Batlivala & Karani Securities India Pvt. Ltd.
- e. There is insider trading restrictions on the client.
- f. There are any restrictions imposed by Exchange or Regulator on the volume of trading outstanding positions of contracts.

- g. The client has taken or intends to take new position in a security which is in the banned period.
- h. The client is undertaking any illegal trading practice or the client is suspected to be indulging in money laundering activities.
- i. Batlivala & Karani Securities India Pvt. Ltd. has reached its limit in that script.
- j. The client has breached the client-wise limit.
- k. There are any unforeseen adverse market conditions or any natural calamity affecting the operation of the market.

#### 10. Inactive Client account

Batlivala & Karani Securities India Pvt. Ltd. is an institutional stock broker, which caters to the trading needs of institutional clients such as Bank, Insurance Companies, Mutual Fund, SEBI Registered FII etc. The trading account of a client is set-up based on the account related information such as UCC, CP Code etc. provided by the client at the time of account opening and after such information is verified with the custodians.

In the case of Institutional clients has not traded over a period of 1 year, the details are again verified with the custodian in order to understand if there is any change in the account maintained. Further the client is also contacted and the details of the account are again confirmed.

In the case of selective corporate clients who are empanelled with us, the policy of treating the accounts as inactive will be if the client has not traded with us for over a period of 1 year. A client whose account has become inactive has to request to the company in writing or by any other approved mode acceptable to the company to activate the account. Company may inform the client to submit any credential or documents before activating the accounts. Activation of an inactive account is at the sole discretion of the company.

#### Note:

This is an internal policy set forth by Batlivala & Karani Securities India Pvt. Ltd. as the policy is subject to changes as per amendments/directives set forth through the Rules, Regulation Guidance issued by the SEBI, NSE, BSE & other relevant governing authorities, law enforcing agencies in India etc. The changes if any shall be brought to the notice of the client as per applicable guidance.



## **TARIFF SHEET**

CM Segment

0.\_% (\_bps) inclusive of all charges and excluding STT & GST (which will be charged separately as per the prevailing statutory rate)

FO Segment

0.\_% (\_bps) inclusive of all charges and excluding STT & GST (which will be charged separately as per the prevailing statutory rate)

## FATCA-CRS Declaration & Supplementary KYC Information

### FATCA Form for Non-Individual

#### Part A

	Details	Yes	No
1.	Is the account holder a Government body / International Organization / listed company on recognized stockexchange <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "No", then proceed to point 2</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "yes" please specify name of stock exchange, if you are listed company _____, and proceed to sign the declaration</div>		
2.	Is the account holder a (Entity/Financial Institution) tax resident of any country other than India <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "yes", then please fill of FATCA/ CRS Self certification Form</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "No", proceed to point 3</div>		
3.	Is the account holder an Indian Financial Institution <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "yes", please provide your GIIN, if any _</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "No", proceed to point 4</div>		
4.	Are the Substantial owners or controlling persons in the entity or chain of ownership resident for tax purpose in any country outside India or not an Indian citizen <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "yes", (then please fill FATCA/ CRS self-certification form)).</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">If "No", proceed to sign the declaration</div>		

#### **Customer Declaration**

( ) Under penalty of perjury, I/we certify that:

1. The applicant is:

(i) An applicant taxable as a US person under the laws of the United States of America ("U.S.") or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S.,

(ii) An estate the income of which is subject to U.S. federal income tax regardless of the source thereof. (This clause is applicable only if the account holder is identified as a US person)

2. The applicant is an applicant taxable as a tax resident under the laws of country outside India.

- i. I/We understand that B&K is relying on this information for the purpose of determining the status of the applicant named above in compliance with FATCA/CRS. B&K is not able to offer any tax advice on FATCA/CRS or its impact on the applicant. I/we shall seek advice from professional tax advisor for any tax questions.
- ii. I/We agree to submit a new form within 30 days if any information or certification on this form becomes incorrect.
- iii. I/We agree that as may be required by domestic regulators/tax authorities B&K may also be required to report, reportable details to CDDT or close or suspend my account.
- iv. I/We certify that I/we provide the information on this form and to the best of my/our knowledge and belief the certification is true, correct, and complete including the taxpayer identification number of the applicant.

Name of the Entity	
Signature 1	Signature 2
Signature 3	( As per MOP)
Date :	

## Part B

### Self-Certification Form (Entity) for Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards (CRS)

#### Section 1: Entity information

Name of Entity					
Customer id (if existing)					
Entity Constitution Type					
Entity Identification type*	T <input type="checkbox"/>	G <input type="checkbox"/>	C <input type="checkbox"/>	E <input type="checkbox"/>	O <input type="checkbox"/>
Entity Identification No					
Entity Identification issuing country					
Country of Residence for tax purpose					

\*[T- TIN / G - US GIIN / C – Company Identification Number / E – Global Entity Identification Number / O – Other]

#### Section 2: Classification of Non-Financial entities

Details	Yes	No
I/We (on behalf of the entity) certify that the entity is:		
a) An entity incorporated and taxable in US (Specified US person) If "Yes", please provide your U.S. Taxpayer Identification Number (TIN)		
TIN <table border="1" style="display: inline-table; width: 150px; height: 20px; vertical-align: middle;"></table> - <table border="1" style="display: inline-table; width: 150px; height: 20px; vertical-align: middle;"></table>		
b) An entity incorporated and taxable outside of India (other than US) If "Yes", please provide your TIN or its functional equivalent		
TIN <table border="1" style="display: inline-table; width: 150px; height: 20px; vertical-align: middle;"></table> - <table border="1" style="display: inline-table; width: 150px; height: 20px; vertical-align: middle;"></table>		
Provide your TIN issuing country _____		

c) Please provide the following additional details if you are not a Specified US Person :

#### FATCA / CRS classification for Non-financial entities (NFFE)

Active NFFE	<input style="width: 80px;" type="text"/>
Passive NFFE <u>without</u> any controlling Person	<input style="width: 80px;" type="text"/>
Passive NFFE with Controlling Person(s): US	<input style="width: 80px;" type="text"/> Others <input style="width: 80px;" type="text"/>
Direct Reporting NFFE (Choose this if any entity has registered itself for direct reporting for FATCA and thus B&K is not required to do the reporting) Please provide GIIN number: _____	

### Section 3: Classification of financial institutions (including Bank)

Details										Yes	No
I/We (on behalf of the entity) certify that the entity is:											
a) An entity is a U.S. financial institution											
If "Yes", please provide your U.S. Taxpayer Identification Number (TIN)											
TIN			-								

If "No", please tick one of the following boxes below:

FATCA classification		Please provide the Global Intermediary Identification number (GIIN) or other information where
<input type="checkbox"/>	Reporting Foreign Financial Institution in a Model 1 Inter-Governmental Agreement ("IGA") Jurisdiction	
<input type="checkbox"/>	Reporting Foreign Financial Institution in a Model 2 IGA Jurisdiction	
<input type="checkbox"/>	Participating FFI in a Non-IGA Jurisdiction	
<input type="checkbox"/>	Non-reporting FI	
<input type="checkbox"/>	Non-Participating FI	
<input type="checkbox"/>	Owner-Documented FI with <b>specified US owners</b>	

### Section 4: Controlling person declaration

If you are classified as "Passive NFFE with Controlling Person(s)" or "Owner documented FFI" or "Specified US person", please provide the following details:

Name of controlling person	Correspondence Address	Country of residence for tax purpose	TIN	TIN issuing country	Controlling person type

Details	Controlling person 1	Controlling person 2	Controlling person 3	Controlling person 4	Controlling person 5
Identification Type					
Identification Number					
Occupation Type					

<b>Occupation</b>					
<b>Birth Date</b>					
<b>Nationality</b>					
<b>Country of Birth</b>					

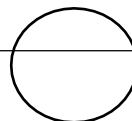
#### **Section 5: Declaration**

- (i) Under penalty of perjury, I/we certify that:
1. The number shown on this form is the correct taxpayer identification number of the applicant, and
  2. The applicant is (i) an applicant taxable as a US person under the laws of the United States of America ("U.S.") or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof, or
  3. The applicant is an applicant taxable as a tax resident under the laws of country outside India.
- (ii) I/We understand that B&K is relying on this information for the purpose of determining the status of the applicant named above in compliance with CRS/FATCA. B&K is not able to offer any tax advice on CRS or FATCA or its impact on the applicant. I/we shall seek advice from professional tax advisor for any tax questions.  
I/We agree to submit a new form within 30 days if any information or certification on this form gets changed.
- (M) I/ We agree as may be required by /Regulatory authorities, B&K shall be required to comply to report, reportable details to CBDT or close or suspend my account.
- (V) I/We certify that I/we provide the information on this form and to the best of my/our knowledge and belief the certification is true, correct and complete including the tax payer identification number of the applicant.

☐

**I/We hereby confirm that details provided are accurate, correct and complete**

Authorized Signatories and Company Seal (if applicable)



Name

\_\_\_\_\_

Date (DD/MM/YYYY)

\_\_\_\_\_