

**ACCOUNT OPENING KIT  
INDEX**

S.No	Name of the Document	Brief Significance of the Document	Page No
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES</b>			
1	Account Opening Form	A. KYC form - Document captures the basic information about the constituent and an instruction / check list. B. Document captures the additional information about the constituent relevant to trading account and an instruction / checklist.	A1 A2-A3
2	Rights and Obligations	Document stating the Rights & Obligations of stock broker/ trading member, sub- broker and client for trading on exchanges (including additional rights & obligations in case of internet / wireless technology based training).	B1-B4
3	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	B5-B7
4	Guidance Note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	B8
5	Policies and Procedures	Document describing significant policies and procedures of the stock broker	B9-B11
6	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s)	A4
<b>VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER</b>			
7	Running Account Authorisation Letter	Account Operation	A5
8	Authorisation for Receipt of Digitally Certified Electronic Documents	Consent for receiving ECN & E - documents	A6
9	Standing Instruction Letter	Standing Instructions	A7
10	Operating Guidelines, Terms and Conditions	Other Terms and Conditions	A8-A12

Name of stock broker	<b>ARYAN SHARE AND STOCK BROKERS LTD</b>		
SEBI Registration No. and date	INB 230805534 – 17.10.1995	INF 230805534 – 26.03.2002	
	INE 230805534 - 27.10.2008	INB 010805530 – 16.03.2006	
	INE 260805534 - 30.09.2008		
Registered Office & Correspondence Office Address	Shriji Metropolis II Floor, No.7,7 <sup>th</sup> Cross Street, Shenoy Nagar, Chennai- 600030 Ph.No:(044) 3006 3156/3157/3158 Fax: (044) 3006 3166 Website : <a href="http://www.assbl.com">www.assbl.com</a>		
Designation	<b>Name</b>	<b>Phone No</b>	<b>E Mail ID</b>
Compliance Officer	R. Giridharan	(044) 30063168	giri@assbl.com
CEO	Manoj N Shah	(044) 30063156	<a href="mailto:aryan@assbl.com">aryan@assbl.com</a>

For any grievance/dispute please contact stock broker: Aryan Share And Stock Brokers Ltd at the above address or Email ID: [complaints@assbl.com](mailto:complaints@assbl.com) and Phone No. 044 – 30063156/57. In case not satisfied with the response, please contact the concerned exchange(s) at;

Exchanges	Phone No	Email ID
NSE	(022) 26598190	<a href="mailto:ignse@nse.co.in">ignse@nse.co.in</a>
BSE	(022) 22728097	<a href="mailto:is@bseindia.com">is@bseindia.com</a>
MCX	(022) 67318933	<a href="mailto:investorcomplaints@mcx-sx.com">investorcomplaints@mcx-sx.com</a>

## **INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM**

### **A. IMPORTANT POINTS:**

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.
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/OCI 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, 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. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
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 apostiled 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.

**MANDATORY**  
**KNOW YOUR CLIENT (KYC) APPLICATION FORM**  
*For Individual*

**KYC – A**

Please fill this forming **English** and in **Block Letters**.

IDENTITY DETAILS								
Name of the Applicant						Affix your Passport size photo here and sign across photograph		
Father's/Spouse Name								
Mother's Name								
Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female	Marital Status	<input type="checkbox"/> Single	<input type="checkbox"/> Married			
Date of Birth	(dd/mm/yyyy)		Nationality					
Status	<input type="checkbox"/> Resident Individuals		<input type="checkbox"/> Non Resident	<input type="checkbox"/> Foreign National				
PAN			UID.No.(Aadhaar)					
Specify the Proof of Identity submitted								
ADDRESS DETAILS								
Address for Correspondence				Permanent	If different from Corps Add or Overseas add mandatory for Non-Resi Applicant)			
City		Pin		City		Pin		
State		Country		State		Country		
Resi No (s)		Off.No (s)		Resi No		Off No (s)		
Fax No. (s)				Fax No.				
Mobile No.				Mobile No				
E-mail ID				E-Mail ID				
Specify the Proof of Add submitted for Correspondence				Specify the Proof of Add submitted for Permanent				
_____				_____				
Passport No.	Expiry Date			Passport No.	Expiry Date			
D L No.	Expiry Date			D L No.	Expiry Date			
OTHER DETAILS								
Gross Annual Income details (please specify) : Income Range per annum								
<input type="checkbox"/> Upto Rs.1,00,000/-		<input type="checkbox"/> Rs.1,00,001/- to Rs.5,00,000/-		<input type="checkbox"/> Rs.5,00,000/- to Rs.10,00,000/-				
<input type="checkbox"/> Rs.10,00,000/- to Rs.25,00,000/-		<input type="checkbox"/> Above Rs. 25,00,000/-		<b>OR</b>				
Net worth as on Date:		Rs.		(Net worth should not be older than 1 year)				
Occupation (Please tick any one and give brief details)		<input type="checkbox"/> Private Sector <input type="checkbox"/> Public Sector <input type="checkbox"/> Government Services <input type="checkbox"/> Business <input type="checkbox"/> Student <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Housewife <input type="checkbox"/> Others						
Please tick, if applicable		<input type="checkbox"/> Politically Exposed Person (PEP)		<input type="checkbox"/> Related to Politically Exposed Person(PEP)				
Any other information								
DECLARATION								
I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I 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 aware that I may be held liable for it.								
Name				Signature				
Place		Date		① _____				
FOR OFFICE USE ONLY								
<input type="checkbox"/> (Originals verified) True copies of Documents received						Seal/Stamp of the intermediary		
<input type="checkbox"/> (Self-Attested) Self Certified Documents copies received		Signature of Authorised Signatory						
		Date						

BANK ACCOUNT (S) DETAILS					
Sr. No	MICR No.	Bank Name, Branch Add	A/c Type	Account No.	IFSC Code
1.					
2.					
Please Provide Cancelled Cheque leaf for MICR & IFSC Code					
DEPOSITORY ACCOUNT (S) DETAILS					
Sr. No	Depository Participant Name	DP ID No.	DP Account No.	Depository Name	
1.				NSDL / CDSL	
2.				NSDL / CDSL	
Share bought by you will be transferred to your DP A/c stated by you at Sr.No.1					
TRADING PREFERENCES					
*Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.					
Ex. Segment	Cash	Derivatives	Currency Derivative		
NSE					
BSE					
MCX SX					
# 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.					
PASTACTIONS					
Details of any action/proceedings initiated/constituent or its partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years:					
DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS					
If client is dealing through the sub-broker, provide the following details:					
Name		NSE SEBI Reg. No.			
Registered Office Address			BSE SEBI Reg. No		
			MCX-SX SEBI Reg. No		
			Tel. No		
			Fax. No		
			Website		
Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock broker/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:					
ADDITIONAL DETAILS					
Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify):					YesNo
Specify your Email id, if applicable:					
Whether you wish to avail of the facility of internet trading/wireless technology (please specify):					YesNo
Number of years of Investment/Trading experience:					
Any other Information					

<b>INTRODUCER DETAILS (Optional)</b>			
Name			Signature
Add.Tel.			
Status of the Introducer	Sub Broker/Remisier/Authorized Person/Existing Client/Other please specify:		
<b>NOMINATION DETAILS (FOR INDIVIDUAL ONLY)</b>			
I / We wish to nominate		I / We do not wish to nominate	
Name of Nominee		Relation with nominee	
Address		PAN No.	
		Tel. No	
If Nominee is a minor, details of Guardian		Date of Birth	
Name of Guardian			
Address & Tel No.		Signature of Guardian	
Witness (only applicable in case the account holder has made nomination)			
Name		Name	
Address		Address	
Signature		Signature	
<b>DECLARATION</b>			
<p>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</p> <p>2. I/We confirm having read/been explained and understood the contents of the document on policy and Procedures of The stock and the tariff sheet.</p> <p>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.</p>			
Name			Sign here _____
Place	Date		
<b>FOR OFFICE USE ONLY</b>			
UCC Code allotted to the Client			
	Documents verified with Originals	Client Interviewed By	In Person Verification done by
Name			
Designation			
Employee code			
Date			
Signature			
<p>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 I/We have given/sent him a copy of all the KYC documents. I/We undertake that any change in the ‘Policy and Procedure tariff sheet and all the non-mandatory documents would be duly intimated to the clients. I/We also undertake that an change in the ‘Right and Obligations’ and RDD would be made available on my/our website, if any for the information of the clients.</p>			
Date: _____	Signature of the Authorised Signatory		Seal/Stamp of the Stock Broker

### TARIFF SHEET

<b>BROKERAGE</b>		<b>MAX %</b>	<b>MIN Rs.</b>
<b>NSE EQUITY</b>	<b>SAME DAY (Each Side)</b>		
	<b>DELIVERY</b>		
<b>NSE F&amp;O</b>	<b>SAME DAY (Each Side)</b>		
	<b>CARRY FORWARD (Each Side)</b>		
<b>BSE EQUITY</b>	<b>SAME DAY (Each Side)</b>		
	<b>DELIVERY</b>		
<b>CURRENCY</b>	<b>SAME DAY (Each Side)</b>		
	<b>CARRY FORWARD (Each Side)</b>		
<b>ANY OTHER PLANS</b>			

**Additional Applicable Charges:**

1. Service Tax, STT, Stamp Duty, Other Govt. levies.
2. Transaction charges (Exchange and Derivative Clearing Member)
3. Interest, Delayed payment charges.
4. Penalty for Margin Shortfall.
5. Rs.15/- Minimum Brokerage for Total Trades on a given day for a particular Segment/Exchange.
6. Demat charges for transfer of shares from Member Demat Account.
7. Cheque Return/Reversal Charge

Sign  
here

## **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 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 there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued there under

#### **BROKERAGE**

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and 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 nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in Payment/delivery and related aspects by a client. In case where defaulting client is a corporate Entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

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

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if 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-tamper able.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamper able form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/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 there under or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker 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 there under of the Exchanges/SEBI.

47. All additional voluntary clauses/document added by the stock broker should not be in contravention with Rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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

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

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

## **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 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.
3. 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
4. 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: for NSE website [nseindia.com](http://nseindia.com), BSE website [bseindia.com](http://bseindia.com), MCX website [mcxindia.com](http://mcxindia.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 stockbroker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard

### **TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a. Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b. The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c. On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d. You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stockbroker 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

## **POLICIES AND PROCEDURE**

### **1. Refusal of orders for penny stocks:**

Member is advising clients not to deal in penny stocks and if the client deals with penny stocks, 100% margin will be taken from the client and these shares will not be taken as Margin deposit. Member shall have authority from time to time to limit quantity/value or refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies) or may require compulsory settlement/advance payment of expected settlement value/delivery of securities for settlement/advance payment of expected settlement value/delivery of securities for settlement prior to acceptance/placement of order(s) as well, the order being for securities which are not in the permitted list of the stock broker/exchange(s)/SEBI or does not commensurate with the risk profile of the client as assessed by the Member. Decision of member will be binding on the client and losses if any an account of such refusal shall be borne by the client only.

### **2. Setting up client's Exposure Limits:**

The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.) The clients is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception, risk profile of the client and other factors considered relevant by the stock broker including but not limited to limits on account of Exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.) and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the stock broker, or it may subject any order placed by the client to a review before its entry into the trading systems and 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 stock broker/Exchange/SEBI and any other reasons, which the stock broker may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have deposit based RMS system. Total deposits of the clients (Client ledger and Securities of the client) are uploaded in the system and client may take exposure based on margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their perception and/or the multiples of the total deposit and MTM are specified for each client based on the client risk profile. The client understands that in Equity Segment, all orders are to be placed under "Margin" (Both buy and sell) for intraday square-off and under "Delivery" (Both buy and sell) for Delivery Obligation. For "Margin" trades, client confirms that all the open positions will be closed by client before 15 minutes of the scheduled closing of the market. Failing which, the client confirms that Trading Mechanism of the member will close all the open positions at the market rate and the client undertakes to fulfill this obligation arising out of such closure by the trading mechanism. Further, client understands that, in case, the trading mechanism has not closed client's open positions due to some technical reasons, he/she will be still liable for any consequences arising out of the non-closure of all such open positions. Hence, member advises client to close all open "Margin" positions, 15 minutes before the scheduled closing of the market. Further, client understands that all the sales made in delivery will be against the delivery available in its account. However, if the client makes sales against any pending delivery purchases from the member, the client will be wholly and solely responsible for any non-receipt of such delivery from the opposite party ie., Exchange/another client as the case may be.

### **3. Applicable Brokerage Rate**

- a) **For Cash Market Segment:** The maximum brokerage chargeable in relation to trades effected in the Securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is hereby further clarified that where the sale/purchase value of a share is Rs.10/- or less, a maximum brokerage of 25 paise per share may be charged.
- b) **For Option contracts:** Brokerage for option contracts would not exceed Rs.100/- per lot single side (in NSE) or such other rates as provided by the exchanges from time to time.

### **4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws)**

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their pay in/margin obligation on time, as per the exchange requirement/schedule at the rate upto 2% per month. Similarly, the stock broker will also be liable to pay delayed payment charges to the client for not making payment of their obligation on time, as per the Exchange requirement/schedule at the rate of 2% p.m., except in the cases covered by the "Running Account Authorisation" given by the client to the stock broker. The client agrees that the stock broker may impose fines/penalties for any orders/trades/deals/actions of the client which are contrary to this agreement/rules/regulations/bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further, where the stock broker has to pay any fine or bear any punishment from any authority in connection with/as a consequence of/in relation to any of the orders/trades/deals/actions of the client, the same shall be borne by the client. All fines/penalties and charges levied upon the Client due to its acts/deeds or transactions will be recovered by the Stock Broker directly from the client's account.

**5. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues (This shall be limited to the extent of settlement/margin obligation)**

- a) If Payment/Securities towards the Pay-in Obligation/Margin/Shortfall in Margin/Market-To-Market losses/Debit in the Clientele Account are not received instantaneously, all or some of the positions of the Client and/or the Client's Securities may be liquidated by the Member at its sole discretion, without any reference or prior notice to the client. The resultant or associated losses that may occur due to such squaring off or sale of securities shall be borne by the Client, and 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 Exchange (s)/Segment (s) in which client does business with the member.
- b) Benefit of the margin pay will be given only after realization of the relevant instrument.
- c) If the client gives orders/trades in the anticipation of the required securities being available subsequently for pay in through anticipated payout from the exchange or through borrowing or any off market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any reason before the close of market.
- d) The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. Similarly all transactions outstanding whatsoever name called may be closed out at specified time if not squared off by the client.
- e) In case, of delivery taken or losses incurred one any particular date, the same is payable to the member before the commencement of the next trading day. Failing, which the Member has the right to sell the client's securities/close position towards the adjustment of such debit any time after the start of next trading day.
- f) In case open position (i.e., short/long) in "Margin" gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfill the pay-in obligation failing which the client will have to face auctions or internal close outs; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses; if any.
- g) Any reference in these terms to sale or transfer of securities by the Stock Broker shall be deemed to include sale of the securities which form part of the Margin maintained by the Client with the Stock Broker.

**6. Shortages in obligations arising out of internal netting of trades**

Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the Clearing Corporation/Clearing House or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first.

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a) The short delivering seller is debited an provisional amount equivalent to 20% above of closing rate of day prior to Pay-in/Payout Day. In case of short/no delivery from another Client of ARYAN, ARYAN will at its discretion, close out the short delivery seller position at 4% higher than the Current market price during the auction process for the relevant trading and will credit the same to the buying client along with reversal entry of provisionally amount debited earlier to the short delivery seller.
- b) If securities cannot be closed – out (in case scrip hitting upper limits) in market due to any force majeure condition, the short delivering seller is debited at the rate of 10 % above the official closing rate on T+3 day or Auction day on Exchange or the highest traded price from first trading day of the settlement till the auction day and the buyer is credited this amount. Where the delivery is matched partially or fully at the Exchange Clearing, the delivering and debits/credits shall be as per Exchange Debits and Credits after deducting necessary penalties.
- 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 by debiting the seller and credit of buyer.

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

We have margin based RMS system. Client may take exposure upto the amount of margin available with us. Client may not be allowed to take position/the existing position of the client is also liable to square off/close out without giving notice due to following reasons;

- a. In case of non-availability/shortage of margin as per our RMS policy of the company.
- b. Due to shortage of margin/not making of payment for their pay-in obligation/outstanding debts.
- c. For non-payment or erosion 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.
- d. Any order which is executed without the required Margin in the Client's account or the broker's exposure is more than 70 % and above with exchange, hence no fresh trade will be taken.

- a) The client hereby authorizes the Stock Broker to square up all his outstanding positions at the discretion of the Stock Broker, which are not marked for delivery 15 minutes before the closing time of the normal market or if the client's margin is evaporated by 80% in any of exchanges, the Stock Broker reserves the right to square off positions.
- b) Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason as prescribed or instructed by SEBI.
- c) The stock broker is entitled to disable/freeze the account or trading facility/any other service if, in the opinion of the stock broker, the client has committed a crime, fraud or has acted in contradiction of this agreement or evade/violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock broker so apprehends.

Any profit/loss arising out of these transactions shall be at the risk of and borne by the client

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

On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However, client shares/ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed provided the client account has been settled fully and "No Dues/No Claim" letter has been issued by the client. In case, when "No Dues/No claim letter, has been issued, one client will not make there after any fresh complaint/claim/revive any settled claims/nor client will seek any reference to arbitration in respect of any claim. If the client wants to reopen the account in that case, client has to again complete the KYC requirement.

#### **9. Deregistering a client**

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- a) If there is any commencement of a legal process against the client under any law in force;
- b) On the death/lunacy or other disability of the Client;
- c) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- d) If the client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker.
- e) If there is reasonable apprehension that the Client is unable to pay its debts or the Client 'has admitted its inability to pay its debts, as they become payable;
- f) If the Client is in breach of any term, condition or covenant of this Agreement;
- g) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security.
- h) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the client;
- i) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- j) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- k) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

However before deregistering, client will be liable first to settle his account in full. In case, of any shortfall or any dues or payment remaining after adjusting the margin account, the client will be liable to make payment of the same. And in case of surplus arising out after netting of account, client shall be entitled to receipt of

#### **10. Inactive Client account**

Client account will be considered as inactive, if the client does not trade anytime in a particular financial year. The same will be checked before beginning of every financial year and those clients who have not traded even a single time in the preceding financial year, will be considered as inactive, the shares/credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

#### **11. In addition to client based business Aryan does proprietary trading.**

Client Acceptance of Policies and Procedures stated hereinabove

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended/changed unilaterally by the broker, provided the change is informed to me/us with through any one or more means or methods. I/We agree never to challenge the same on any grounds including delayed receipt/non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and stock broker before any court of law/judicial/adjudicating authority including arbitrator/mediator etc.,

**RUNNING ACCOUNT AUTHORISATION-NON MANDATORY**

To,  
Aryan Share & Stock Brokers Ltd.,  
Chennai.

Date : \_\_\_\_\_

Dear Sir, (Ref: Trading Account No \_\_\_\_\_)

I/We are dealing through you as a client in Capital Market and/or Future & Option segment and/or Currency segment and/or Interest Rate future Segment and in order to facilitate ease of operations and upfront requirement of margin for trade. I/We authorize you as under:

1. I/We am/are aware that you are required to issue monies /securities due to me/us within one working day of the pay-out from the Exchange. In order to facilitate operations, for my/our convenience, and on my/our own, I/We hereby authorize you to maintain my/our account as my/our running account with you, instead of settlement to settlement clearance of dues to me/us. These Standing Instructions are applicable to all Exchanges/Segments (Capital/Cash market, Derivatives, Currency, Interest Rate Futures etc.) in which I/We have or may have dealings with you. It is my/our request to you that unless and until, I/We request in writing full or part payment/delivery thereof, any credit balance in my/our account (s), be it security deposit/margin/trading/other account, and or any shares/deliveries with you by way of purchase, margin, pledge, loan debit or whatever reason, may please be retained in your own account or your DP beneficiary account itself and marked against my/our account(s), and adjusted towards impending margins, delivery charges, dues or further purchase/sale positions that, I/We may undertake. I/We agree that no interest will be payable to me/us on the amounts or securities so retained with you and I/We hereby authorize you to debit my/our account necessary DP charges. If any payment/delivery requested by me/us is not received by me/us upon request on or after the due date, I/We confirm that I/We shall inform and request in writing your Registered Office at Chennai by Speed Post/Registered Post before initiating any other action/complaint against you.
2. I/We request you to settle my fund and securities account ;  
Once in every calendar Quarter or Once in a calendar Month  
or such higher period as allowed by SEBI / Stock Exchange time to time except for the funds given towards collaterals/margin
3. In case, I/We have an outstanding obligation on the settlement date, you may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days calculated in the manner specified by the exchanges. Also, I/We authorise you to maintain a sum of Rs.1000/- at all point of time towards Demat and other service charges.
4. I/We confirm you that I will bring to your notice any dispute arising from the statement of account or settlement so made in writing within 7 working days from the date of receipt of funds /securities or statement of account or statement related to it, as the case may be at your registered office at Chennai. After that, I/We shall have no right to dispute the transaction, funds and/or securities ever and agree that you shall not be liable for any incidental loss/damage caused due to retention of funds and/or securities.
5. I/We can revoke the above mentioned authority anytime by giving notice in writing to Head office.

Thank you,

Yours faithfully,

Sign  
here

4

**NON MANDATORY**

**AUTHORISATION FOR RECEIPT OF CERTIFIED ELECTRONIC DOCUMENTS**

To,  
Aryan Share & Stock Brokers Ltd.,  
Chennai.

Date : \_\_\_\_\_

I/We understand that, I/We have the option to receive the documents like Contract notes, Balance Confirmation Letters, Statement of Accounts, Daily Margin Obligation, Letters or any other obligatory documents as per SEBI/Exchange etc., either in physical form or electronic form. In pursuance of the same, I/We hereby opt for receipt of such documents in **Electronic Form only** to the below mentioned Email id's **created by me/us**;

(1) \_\_\_\_\_ (5) Sign here \_\_\_\_\_

(2) \_\_\_\_\_ (6) Sign here \_\_\_\_\_

1. I/We also agree that non-receipt of bounced mail notification by you shall amount to delivery at my/our email accounts(s)/email id(s).
2. I/We agree not to hold you responsible for late/non-receipt of such documents sent in electronic form for any reason including but not limited to failure of email services, loss of connectivity, email in transit, electronic, electrical, network, internet, software, hardware or technological breakdown or any force majeure conditions.
3. I/We agree that the log reports of your dispatching software shall be conclusive proof of dispatch of documents to me/us and such dispatch shall be deemed to mean receipt by me/us and shall not be disputed by me/us on account of any non-receipt/delayed receipt for any reason whatsoever.
4. I/We understand that I/We am/are required to intimate any change in the email id/email account (s) mentioned herein-above needs to be communicated by me through a physical letter only to your Registered Office at Chennai.
5. This authorization is applicable and valid across all Exchanges and Segments available and/or to be made available in future by you.
6. I/We hereby confirm that Aryan would be deemed to have fulfilled its legal obligation to deliver a document to the client, if it is sent by the electronic mode. I/We understand that all information contained in electronic documents sent by you, shall be binding upon me/us, if I/We do not object either in writing or via electronic email, within twenty-four hours after any such document is received by me/us. I/We also understand that in all cases, you reserve the right to determine the validity of my/our objection to the transactions.
7. I/We shall download the said document(s) regularly and also promptly at least once every twenty-four hours or sooner as necessary, to ensure that I/We receive the document(s) in time and keep the email id and mail box ready in every manner to receive the documents sent by Aryan.

Thank you,  
Yours faithfully,

Sign  
here

(7)

**NON MANDATORY**

**STANDING INSTRUCTION LETTER**

To,  
Aryan Share & Stock Brokers Ltd.,  
Chennai.

Date : \_\_\_\_\_

Dear Sir,

(Ref: Standing Instructions for Trading Account No \_\_\_\_\_)

This is with reference to my/our trading account with you at NSE/BSE/MCX-SX in Cash, Derivative & Currency Segment, I/We wish to place following standing instructions for operations of my/our account:

1. I/We understand that you require written instructions for receiving/modifying or canceling orders. However, since it is not practical to give written instruction for every order, I/We hereby authorize you to kindly accept my/our verbal instructions/order over phones and/or verbal instructions/order over phones from my /our authorized representative and execute the same.
2. Since you are issuing contract notes bearing order numbers and trade numbers on a daily basis, please do not issue the order/trade confirmation slips as generated from the Trading Terminal, unless otherwise requested by me/us in writing.
3. I/We hereby authorize you to effect necessary inter-settlement transfers. However I/We understand this will be effected only in case of receipt from the opposite party. In case, if the same is not received, I/We will be liable to pay auction difference arising from non-receipt of shares. Also I/We hereby authorize to debit my Client Account necessary Inter-settlement charges.
4. I/We hereby agree to pay all necessary Margins & Pay-in debit as per the deadline issued by the company from time to time. All fines/penalties and charges levied upon you due to my acts/deeds or transactions may be recovered by you from my/our account. I/We hereby authorize you to pass necessary Journal Entry as Inter-Exchange/Inter-Segment Transfer in my/our Book of Accounts debiting the amount from any Exchange/Segment in which there is credit to any other Exchange/Segment in which there is a debit, in order to avoid operational delays and cost towards transfer of funds.
5. I/We hereby confirm that Statement of Account will be verified from my/our side within thirty days of the Statement date. In case, if there is any discrepancy, the same will be bought to your notice in written to the Registered Office in Chennai within this deadline of thirty days. Also, I forfeit all my/our claims after this deadline.
6. I/We undertake to take Trade Confirmation and necessary debits from you on daily basis either by telephone, fax or e-mail. If there is any discrepancy, the same will bought to your notice immediately in written/email.
7. I/We hereby confirm that all Transfer of Shares/Funds will be made only from the list of Accounts belonging to me/us furnished at the time of Account Opening. I/We will not transfer the Securities / Funds from any other account apart from the ones furnished by me in written to you. In case, the same is done, I/We authorize you to reverse the relevant transactions and transfer Funds / Securities to the account from which it was transferred. I/We authorize you to transfer the shares purchased by me/us to the Demat Account details furnished in this A/c opening form only.
8. I/We hereby authorize you to issue Contracts in the form of Annexure and deliver electronically to the E-mail Address specified in this form.
9. Trading of all Exchanges is in Electronic Mode based on VSAT, Leased line, ISDN, Modem and VPN, Combination of technologies and computer systems to place and route orders. I/We understand that there exists a possibility of communication failure or system problems or slow or delayed response of system or trading halt or any such other problems/glitch, whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell orders either in part or in full. I/We agree that I/We shall be fully liable and responsible for any such problems/fault.
10. I/We have a Trading as well as Depository relationship with ARYAN. Kindly debit the charges relevant with depository services from my/our trading account on monthly basis. I/We also agree to maintain the adequate balance in my trading account / pay adequate advance fee for the said reasons.

Thank you,

Yours faithfully,

Sign 8  
here

## **IMPORTANT OPERATING GUIDELINES, TERMS AND CONDITIONS**

The client is hereby cautioned and he/she/they also hereby confirm that he/she/they have understood the following;

- 1) It is understood that client has read the KYC, Rights & Obligations documents and Risk Disclosure documents completely before affixing the signatures.
- 2) Clients are advised to fill in all the details in KYC. In case, if the client does not wish to sign non-mandatory letters or standing instruction letter, client is advised not to affix the signatures on the same.
- 3) Further, Client has also understood that, in case, if he/she/ they have signed **Authority Letter** to receive all necessary documents like Daily Contracts/ Statement of Ledger/ Margin statement etc., **electronically**, he/she/they **will not receive** the same in **Physical Form** (Hard Copy). Also, client understands that non-receipt of bounced mail notification by the member shall amount to delivery of the all documents at the e-mail ID of the client. Further, client is aware that he/she/they **have access to Member's Website** (www.assbl.com) through secured User name and Password (which will be provided by member after the Trading account gets opened) to use the back-office facilities like Contracts/Ledger/Holding.
- 4) Aryan Share & Stock Brokers Ltd (Aryan- Member) has not authorized any associate or any other entity on its behalf, to undertake any Portfolio Management Schemes or any such Schemes for assured/un-assured returns or otherwise, in whatsoever manner. Aryan does not undertake any Portfolio Management at present and will do so only after obtaining approval from SEBI/Exchange and relevant authorities should it desire to do so in future. Also, Aryan will undertake Portfolio Management only after entering in to a separate written agreement with the client specific to Portfolio Management.
- 5) Aryan **does not accept any cash payments** at any of its offices. Hence, Aryan has not authorized any person/agent/representative/franchisee/dealer/sub-broker/staff/employee/branch business associate or any other entity on its behalf, to accept cash. No other person like employee/representative/franchisee/dealer/staff/branch business associate of Aryan in any capacity is authorized to issue cash receipt and any cash receipts issued by any of these entities shall be treated as invalid and not binding on Aryan. Therefore, clients who hand over any cash (**strictly prohibited**) to any person/agent/representative/franchisee/dealer/sub-broker/staff/employee/branch business associate associates of Aryan at the Head Office or any of the branches/offices do so solely at their own risk and without any liability to Aryan.
- 6) Clients must make payments only **in the form of A/c Payee Crossed Cheque issued in favor of "Aryan Share & Stock Brokers Lt d."** **only** or fund transfer to Aryan's Client Bank account. In case, the client issue the Cheques/DDs in favor of any other name or any abbreviated name of the company, or cheques, which are not crossed Account Payee or cheques which have not been filled completely, Aryan shall not be responsible/accountable/liable for the same, should the same be misused by anyone including representative/franchisee/dealer/sub-broker/staff/employee/branch associate of Aryan. Also, any securities towards margin or selling obligation of the client will be delivered to **Aryan Demat account only by the client**. In case, if the same is transferred to any other account, then in that event, Aryan shall not be responsible/accountable/liable to the same, should the same be misused by any one including representative/franchisee/dealer/sub-broker/staff/employee/branch associate of Aryan.
- 7) The Cheques/funds transfers should be issued by the client only from the pre-specified bank account of the client already intimated to Aryan. In case, the client gives cheques from any another bank account belonging to him or issue Demand Draft / Pay-order, necessary supporting documents to be provided immediately ascertaining that Cheques/Demand Draft / Pay-order has been issued from his account only. Failing the same, credit will not be given by Aryan to the client account. Any consequences arising from this non-submission of proof, client will be solely responsible for the same.
- 8) Aryan does not accept interest bearing deposits or any other deposits from public and is prohibited by SEBI and its own Memorandum and Article of Association from doing so. Aryan has not authorized any person /agent/representative/franchisee/dealer/sub-broker/ broker/or any other entity to accept deposits for interest or any other return whatsoever on its behalf. Aryan accepts only security deposits/margin deposits from clients for the purpose of providing share and derivatives trading exposure limit as per the Rules and Regulations of Exchange/SEBI. These security/margin deposits carry no interest returns or assured returns and Aryan shall not pay any interest or assure returns at any point in time.

- 9) The client shall not deal with any person or party who claim to represent Aryan as its agent/representative/franchisee/dealer/sub-broker/ broker/or any other entity on its behalf, without first verifying and obtaining such verification in writing from Aryan's Head office. Aryan shall not be held responsible otherwise.
- 10) Aryan does not induce Clients to trade (buy or sell shares or derivatives) directly or through any agent/representative/franchisee/dealer/sub-broker/staff/employee/business associates. The Client shall bear all risks in Trading/Investment. The Client agrees that all investment and disinvestment decisions are based on the Client own evaluation of financial circumstances and investment objectives. This extends to any decision made by the Client on the basis of any information that may be made available on the website of the member. The client will not hold nor seek to hold the Member or any of its officers, directors, employees, agents, subsidiaries, affiliates or business associates liable for any trading losses or other losses, costs or damage incurred by the Client consequent upon relying on information, research opinions or advice or any other material The Member does not represent and shall not be deemed to have represented, that the investment information on the web is accurate or complete. The client is aware that any information on the web site based on the research of the member or the other external sources is subject to normal variations in the stock market and is merely an estimation of the viability or otherwise of certain investments, and the member shall not be deemed to have assumed any responsibility for such information. The Client should seek independent professional advice regarding the suitability of any investment decision. The Client also acknowledges that the member's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from the Member or any of its employees.
- 11) All of Aryan's Offices/Branches display Aryan 's Disclaimer, SEBI Registration Certificates, and the Exchange specified sign board showing the address and the contact persons at the Head Office and the name of the branch manager /sub-broker as well as the address of the branch. Clients are advised to read the signboards before commencing business at the office and contact the Head Office, in case of any doubts prior to commencing business.
- 12) Please pay to Aryan, so that funds are credited into Aryan's clearing bank account, 24 hours prior (or 48 hours prior in case of other bank accounts of Aryan) to Exchange pay-in schedule for the relevant trading day. To ensure uninterrupted continuation of trading limits/exposure, please pay your funds obligation to Aryan before the start of trading next day.
- 13) In case where the payment by the client towards the margin is made through a cheque issued in favor of the Member, any trade (s) would be executed by the Member only upon the realization of the funds of the said cheque or at the Member's discretion.
- 14) The client agrees and authorizes Aryan to determine the market value of securities placed as Margin. The Client undertakes to monitor the market value of such securities on a continuous basis. The Client further undertakes to replenish any shortfall in the value of the Margin consequent to a fall in the market value of such securities placed as Margin immediately whether or not Aryan intimates such shortfall. The value of the securities placed as margin shall be subject to the haircut prescribed by the Exchange at a minimum
- 15) Aryan may at its sole discretion prescribe/amend the payment of Margin in the form of cash instead of securities at any time it deems fit. The Client accepts to comply with Aryan's requirement of payment of Margin in the form of cash immediately failing which Aryan may sell, dispose, transfer or deal in 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 loss that may occur due to such square off/sale shall be borne by the Client, and Aryan is hereby fully indemnified and held harmless by the Client in this behalf.
- 16) 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 maintained by the Client with the Member. In exercise of the Member's right to sell securities under the Agreement, the client agrees that the choice of specific securities to be sold shall be solely at the Member's discretion.
- 17) The 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 in the event of a sale or credit the required funds in the bank account via RTGS, NEFT wire or personal cheque, cashier's cheque or money order or account transfer or any other mode as per the immediacy of requirement as indicated by Member.

- 18) The member shall send the order/trade confirmation to the client within 24 hours of the execution of the client's transaction, in form of contract note e-mail, oral communication or otherwise by way of SMS to registered mobile number intimated by the client to the Member. The Client understands that it is his/her/its responsibility to review the trade confirmations, the contract notes, the bills or statement of account immediately upon their receipt. All information contained therein shall be binding upon the client, if the client does not object in writing to any of the contents within twenty four hours of such intimation/confirmation. In all cases, the member reserves the right to determine the validity of the client's objection to the transaction. The client agrees that the Member will not be responsible for the non receipt of the trade confirmation due to any change in the Correspondence Address/Mobile Number/Email of the client not intimated to the member in writing. Digitally certified documents sent by email to the Client do not require any acknowledgment by the Client.
- 19) The client confirms having read and understood the terms and conditions of the Rights & Obligations document and those relating to various services and products and accepts and agrees to be bound by the terms and conditions including those excluding/limiting and Exchange's liability
- 20) 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, incidental, special or consequential damages that result from the use of or inability to use the service, delay in transmission of any communication or for any reason whatsoever (including on account of breakdown in systems) or out or any breach of any warranty or due to any fraud committed by any person whether in the employment of the Member or otherwise.
- 21) Amendment/modification of the Terms- The Member may at any time amend these Terms, by modifying or rescinding any of the existing provision or condition or by adding any new provision or condition, by conspicuously posting notice of such amendment on the website. The Member shall not be required to communicate any modification or rescission individually to the client either through physical or electronic form, and any separate notice of amendment or modification deemed to be waived by the client. The continued use of the services of the member after such notice will constitute acknowledgment and acceptance of such amendment. These Terms (as amended or modified from time to time) represent the entire agreement between the Client and the Member concerning the subject matter hereof.
- 22) Notices/Policies-Certain policies and/or procedures may be further outlined on the Member's website and material/literature and frequently asked question (FAQ's) provided to the Client. Through the use of the Member's website and services, the Client agrees to be bound by any and all such notices, policies an terms of doing business.
- 23) SECURITY CODE (S) - PRECAUTIONS AND PROTECTION:- Use of Client-ID Password the Client Confirms and agrees that it will be the sole authorized user of the User Name, Password, Customer User Identification Number, Telephone Personal Identification Number (T-PIN) or other Identification or security code (by whatever name called to be given to it by the Member to access Member's system) or service through Member's website, over the telephone in such other manner as may be permitted by the member for availing of the service. The Client accepts sole responsibility for use, confidentiality and protection of the User name, passwords, Customer User Identification Number, T-PIN. Or other security code (s) as issued by the Member to the Client from time to time (hereinafter referred to as "Security Code") as well as for all orders and information changes entered into the client's account using such security codes. The Client shall ensure that such security code(s) is/are not revealed to any third party or recorded in any written or electronic form. If the Client forgets the security code (s). a request for change of such security code(s) should be sent to the member in writing. On receipt of such a request, the member shall discontinue the use of the old security code(s) and shall generate the new security code(s) for the client which shall be communicated to the client. However, the client shall be responsible and liable for all transaction that are carried out by the use of the old Security code(s). Neither the member nor any of its officers, directors, employees, agents, affiliates or subsidiaries will have any responsibility or liability to the client or to any other person whose claim may arise through the respect to any of the circumstances described above.
- 24) Aryan shall transfer/issue cheques towards the payout to Client's Primary Bank Account only as provided by the client in KYC. It will be the duty/responsibility of the client to update the latest Primary Bank Account to Aryan in writing to the head office address. Aryan will not be responsible for transfer/issuance of cheques to Bank Accounts, which have been closed by the client/frozen by the Client's Bank / not updated as the latest Primary Account to Aryan.

- 25) Communications Equipment of the Client The Client is responsible for installing and maintaining the communication equipment (including personal computers and modems) and telephone or alternative services required at the Client's end and connectivity required for accessing and using the web site or related services. All communication costs, service charges, levies and fees incurred by the Client in accessing the web site or related services will be borne by the Client. The client agrees that the 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\members\exchange end.
- 26) Liability for incorrect Instructions – The Client agrees to fully indemnify and hold harmless the Member for any losses arising from the execution of incorrect/ambiguous or fraudulent instructions that got entered through the system at the Client' send.
- 27) Severability – If any provisions of these Terms are held invalid or unenforceable by reason of any law, rule, administrative order or judicial decision by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforced ability shall attach only to such provision or terms held invalid. The validity of the remaining provisions and terms shall not be affected thereby and these Terms shall be carried out as if any such invalid/ unenforceable provisions or terms were not contained herein.
- 28) In the Derivatives segments, SPAN margin or VAR margin shall be payable upfront. Also, any mark to market loss shall be fully payable at the end of the trading day. Any shortfall in SPAN margin calculated at the end of the day shall also be paid by the Client before the beginning of trading the next day. Aryan may at their discretion vary the margin requirements at anytime with or without notice to the Client. Aryan may at their discretion, should they deem it necessary for their protection, buy, sell or close out any part all of the derivative contracts held in a Client's account with or without notice to the Client. Any or all incidental expenses incurred due to this will be debited to the Client and payable by the Client. Clients are hereby informed that Exchange/Clearing Corporation may close option-selling derivative contracts at anytime before expiry at their discretion without notice to the client or to Aryan.
- 29) It is normally advisable to close positions early before close of trading everyday to avoid last minute hiccups in trading systems. Aryan does not accept any responsibility/liability for breakdown/delay in Exchange/CTCL/Internet trading systems, software, communication systems, connectivity, power shutdown, etc., due to whatever reason nor does it accept any responsibility for losses arising there from directly or indirectly. Aryan also does not accept any responsibility/liability for any stoppage in trading systems or losses if any arising there from, due to whatever reason including riots, strikes, floods, earthquakes, natural disasters, communication/transport breakdowns etc., Aryan also does not accept any responsibility/liability for stoppage in trading systems or losses arising there from, due to Exchange/SEBI/Court/Other authorities actions or orders even if disciplinary/statutory in nature.
- 30) Any leniency/waiver shown or any discretionary/non-discretionary action or omission, intentional or unintentional, in the operating guidelines, terms and conditions contained herein, by Aryan to the advantage/disadvantage of the Client cannot be claimed as a right/shield for further/future or other continuation of the same, unless prior agreement for such leniency/waiver/etc. is entered into in writing between Aryan and the Client.
- 31) In case of any error or omission in any contract/confirmation/accounts statement etc., the client must compulsorily inform Aryan before beginning of next day's trading or as early as possible if received during trading hours, so that corrections can be made immediately and losses minimized.
- 32) Errors that do not affect positions (where there is no open position), such as errors in brokerage, Service charges, squaring up cost, auction cost, covering charges, penalties or other charges must be notified within 24 hours from receipt of relevant statement, as otherwise it would indicate the client's conformation and consent of the statements as true and correct. It would be the Client's responsibility to ascertain that statements have reached him with in a reasonable time-frame. Digitally certified documents sent by email to the Client do not require any acknowledgment by the Client. However, disputes in the documents, if any, should be raised by the Client within 24 hours from the time of Aryan sending the said documents.
- 33) The Client undertakes to return on demand all monies received from Aryan including monies received in advance in respect of the sale consideration for trades executed by Aryan on behalf of the Client on the stock exchange, in the event of the stock exchange withholding for any reason or is unable to make the payment to Aryan in respect of the sale transactions executed by Aryan on behalf of the Client. The Client understands that the securities in respect of such transactions shall be returned by Aryan to the Client only on receipt of the same from the stock exchange.

- 34) The Client hereby undertakes to indemnify and hold Aryan harmless against all present and future claims/losses/damages/expenses incurred by Aryan in respect of the transactions of the Client with Aryan.
- 35) The Client hereby undertakes that he shall deal with Aryan only as the Client. The Client shall not do trades, give deliveries or receive deliveries nor raise contracts/memos/bills out of the transactions done through Aryan in any segment of any stock exchanged) in his/her or their Account to other parties. The client hereby undertakes that he will not act or represent himself as a sub-broker/financial intermediary/agent/broker/representative of Aryan at any time. In case, member finds that client is acting as an unregistered Sub broker, member can immediately cancel the account with him and adjust all credit against any liabilities.
- 36) The Client is aware that Aryan may at their discretion tape-record the conversations between the Client/Client's representative and Aryan, either personally or over the telephone, and the Client hereby specifically permits Aryan to do so. Such recordings may be relied upon by Aryan as and when required.
- 37) All Exchange/Clearing Corporation/NSDL/CDSL/Depository Participant/SEBI/Clearing Member/Bank charges, fees and penalties levied in connection to the Client's transactions will be debited to the Client and the Client shall pay the same. Discretion for debit of such charges shall solely lie with Aryan.

**ALL THE ABOVE OPERATING GUIDELINES, TERMS AND CONDITIONS ARE SUBJECT TO:**

- a) Changes and such change will be notified from time to time either orally or via circulars hand delivered/mailed/emailed/faxed/published in newspaper/posted on the bulletin-board/Aryan's website, by Aryan or any relevant authority;
- b) The laws, byelaws, statutes, rules, regulations, guidelines, terms and procedures of the Exchange, SEBI, NSDL, CDSL, Clearing Corporation, Depository Participants, Banks and other relevant authorities;
- c) The Client shall be responsible for verifying the relevant terms / conditions / procedures / Acts / Rules Regulation Guidelines/Circulars prior to placing of orders;
- d) Wherever the rules, regulations, byelaws, statutes are silent or do not deal with the issue at hand, the normal business practices and procedures relevant to this business/industry shall indicate.

I/We have fully read, and accept these Operating Guidelines, Terms and Conditions (page A8 – A12) as an integral and important part of the requirements for dealing with Aryan as its Client.

Sign 9  
here