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

### BEFORE YOU BEGIN TO TRADE

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

### TRANSACTIONS AND SETTLEMENTS

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

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

- d. You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

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

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

#### **DISPUTES/ COMPLAINTS**

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

## **POLICIES AND PROCEDURES**

### **1. REFUSAL OF ORDERS/RESTRICTIONS ON TRADING IN PENNY STOCKS AND ILLIQUID STOCKS.**

A stock which has low market capitalization, weak fundamentals, trades relatively at a price less than its face value, highly illiquid are generally referred to as penny stocks. We advise clients to abstain from investing/trading in penny stocks.

FINWIZARD TECHNOLOGY PVT. LTD. shall have the absolute right to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks and any other securities on account of various reasons including low liquidity, high volatility, subject to market manipulation, not part of permitted list of FINWIZARD TECHNOLOGY PVT. LTD. However, under exceptional circumstances, FINWIZARD TECHNOLOGY PVT. LTD. at its sole discretion may allow trading in penny stocks and insist on 100% upfront margin for buying /delivery of securities for settlement prior to acceptance/placement of order(s). Further FINWIZARD TECHNOLOGY PVT. LTD. shall not be held liable or responsible in any manner whatsoever for non-execution / delay in execution of such orders resulting into any losses and will be borne by client alone.

FINWIZARD TECHNOLOGY PVT. LTD. may from time to time identify such stocks and put trading restriction on the trades in such penny stocks. In addition to these stocks FINWIZARD TECHNOLOGY PVT. LTD. may also include other stocks in the list of restricted stocks such as stocks in Z group, Trade-to-Trade settlement, part of illiquid securities list as provided by exchange periodically and any other scrip which FINWIZARD TECHNOLOGY PVT. LTD. deem fit for the purpose putting trading restriction.

### **2. SETTING UP CLIENT'S EXPOSURE LIMITS.**

Setting up client's exposure limits and conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client.

FINWIZARD TECHNOLOGY PVT. LTD. may from time to time impose and vary limits on the orders that the client can place through the FINWIZARD TECHNOLOGY PVT. LTD.'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 client is aware and agrees that the FINWIZARD TECHNOLOGY PVT. LTD. may need to vary or reduce the limits or impose new limits urgently on the basis of the FINWIZARD TECHNOLOGY PVT. LTD.'s risk perception and other factors considered relevant by the FINWIZARD TECHNOLOGY PVT. LTD. 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 FINWIZARD TECHNOLOGY PVT. LTD. may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the FINWIZARD TECHNOLOGY PVT. LTD. shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the FINWIZARD TECHNOLOGY PVT. LTD.'s trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the FINWIZARD TECHNOLOGY PVT. LTD. 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 FINWIZARD TECHNOLOGY PVT. LTD., 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 FINWIZARD TECHNOLOGY PVT. LTD. may deem appropriate in the circumstances.

The client agrees that trade related losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

The client is not entitled to trade without adequate margin/security and that it shall be his/her/its responsibility to ascertain beforehand the margin/ security requirements for his/her/its orders/trades/deals and to ensure that the required margin/security is made available to the FINWIZARD TECHNOLOGY PVT. LTD. in such form and manners as may be required by the FINWIZARD TECHNOLOGY PVT. LTD. If the client's order is executed despite a shortfall in the available margin, the client, shall whether or not FINWIZARD TECHNOLOGY PVT. LTD. intimates such shortfall in the margin to the client, make up the shortfall suo moto immediately. The client further agrees that he/she/it shall be responsible for all orders (including orders that may be executed without the required margin in the client's account) &/or any trade related claim/loss/damage arising out of the nonavailability/shortage of margin /security required by the FINWIZARD TECHNOLOGY PVT. LTD. & / or exchange & / or SEBI.

FINWIZARD TECHNOLOGY PVT. LTD. is entitled to vary the form (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of funds instead of shares) & / or quantum &/ or percentage of the margin & / or security required to be deposited / made available, from time to time.

The margin / security deposited by the client with the FINWIZARD TECHNOLOGY PVT. LTD are not eligible for any interest. FINWIZARD TECHNOLOGY PVT. LTD. is entitled to include / appropriate any / all payout of funds & /or securities towards margin / security without requiring specific authorizations for each payout. FINWIZARD TECHNOLOGY PVT. LTD. is entitled to transfer funds &/ or securities from his account for one exchange & / or one segment of the exchange to his / her / its account for another exchange & / or another segment of the same exchange whenever applicable and found necessary by the FINWIZARD TECHNOLOGY PVT. LTD. The client also agrees and authorises the FINWIZARD TECHNOLOGY PVT. LTD. to treat / adjust his/ her / its margin / security lying in one exchange & / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange & / or another segment of the exchange. FINWIZARD TECHNOLOGY PVT. LTD. is entitled to disable/freeze the account &/or trading facility/any other service, facility, if, in the opinion of the FINWIZARD TECHNOLOGY PVT. LTD., the client has committed a crime/fraud or has acted in contradiction of the Mandatory and Voluntary Client Registration Documents or / is likely to evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the FINWIZARD TECHNOLOGY PVT. LTD. so apprehends.

### **3. APPLICABLE BROKERAGE RATES.**

FINWIZARD TECHNOLOGY PVT. LTD. is entitled to charge brokerage within the limits imposed by exchange which at present is as under:

#### **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 collected.

**b. For Option contracts:**

Brokerage for option contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. It is hereby clarified that brokerage charged on options contracts shall not exceed 2.5% of the premium amount or Rs 100/- (per lot) whichever is higher.

- 3.1. Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration of the client and/or subsequently through a written agreement between the client and FINWIZARD TECHNOLOGY PVT. LTD.
- 3.2. Brokerage to be charged by FINWIZARD TECHNOLOGY PVT. LTD. shall be exclusive of all statutory levies such as GST, Stamp duty, SEBI turnover fees, Securities Transaction Tax and other taxes as they exist from time to time.
- 3.3. If there is any upward revision of brokerage, the same will be informed to the client with 15 days prior notice. However, all the brokerage and other charges are subject to the maximum limits as prescribed by SEBI/ Exchanges/ Government and other Regulatory authorities from time to time.

**4. IMPOSITION OF PENALTY/DELAYED PAYMENT CHARGES**

FINWIZARD TECHNOLOGY PVT. LTD. requires all its client to pay the entire amount due to the Company on or before due date. The amount due shall include all types of margin and pay-in obligations. In case of delay in making payment by due date, delayed payment charges 1.5 % per month or at such rates as may be determined from time to time will be levied on client by the FINWIZARD TECHNOLOGY PVT. LTD. Debiting delayed payment charges should not be construed as financing by FINWIZARD TECHNOLOGY PVT. LTD., it is a penal in nature and does not absolve client from duty of making payment on time, neither relinquish right of FINWIZARD TECHNOLOGY PVT. LTD. to demand payment or liquidate position of client.

Such delayed payment charges shall be directly debited to the account of the Client at the end of every month. Further, FINWIZARD TECHNOLOGY PVT. LTD. will also debit charges for depository services availed from it to the trading account of clients.

FINWIZARD TECHNOLOGY PVT. LTD. may impose fines / penalties for any orders / trades / deals / actions of the client which are contrary to the Mandatory and Voluntary Client Registration Documents / rules / regulations / bye laws of the exchange or any other law for the time being in force. Further where the FINWIZARD TECHNOLOGY PVT. LTD. 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. The client shall pay to the FINWIZARD TECHNOLOGY PVT. LTD. brokerage, commission, fees, all taxes, duties, levies imposed by any authority including but not limited to the stock exchanges.

**5. THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT /OF NON-PAYMENT OF CLIENT'S DUES. (LIMITED TO MARGIN/ SETTLEMENT OBLIGATIONS)**

The stock broker maintains centralized banking and securities handling processes and related banking and depository accounts at designated place. The client shall ensure timely availability of funds / securities in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting his/her/its pay in obligation of funds and securities. The stock broker shall not be responsible for any claim/loss/damage arising out of non-availability/short availability of funds/securities by the client in the designated account(s) of the FINWIZARD TECHNOLOGY PVT. LTD. for meeting the pay in obligation of either funds or

securities. 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 borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any reason whatsoever including but not limited to any delays / shortages at the exchange or stock broker level / non release of margin by the FINWIZARD TECHNOLOGY PVT. LTD. etc., the losses which may occur to the client as a consequence of such shortages in any manner such as on account of auctions / square off / closing outs etc., shall be solely to the account of the client and the client agrees not to hold the FINWIZARD TECHNOLOGY PVT. LTD. responsible for the same in any form or manner whatsoever. In case the payment of the margin / security is made by the client through a bank instrument, FINWIZARD TECHNOLOGY PVT. LTD. shall be at liberty to give the benefit / credit for the same only on the realization of the funds from the said bank instrument etc. at the absolute discretion of the FINWIZARD TECHNOLOGY PVT. LTD.. Where the margin /security is made available by way of securities or any other property, FINWIZARD TECHNOLOGY PVT. LTD. is empowered to decline its acceptance as margin / security & / or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion.

FINWIZARD TECHNOLOGY PVT. LTD. 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 mentioned in the Risk Policy, whichever is earlier. FINWIZARD TECHNOLOGY PVT. LTD. shall have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the trade related losses based on actual executed prices. In case open position (Le. short/long) gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfill the payin 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. Without prejudice to the foregoing, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

FINWIZARD TECHNOLOGY PVT. LTD. is entitled to prescribe the date and time by which the margin / security is to be made available and FINWIZARD TECHNOLOGY PVT. LTD. may refuse to accept any payments in any form after such deadline for margin / security expires. Notwithstanding anything to the contrary in the Mandatory and Voluntary Client Registration Documents or elsewhere, if the client fails to maintain or provide the required margin/fund / security or to meet the funds/margins/ securities pay in obligations for the orders / trades / deals of the client within the prescribed time and form, FINWIZARD TECHNOLOGY PVT. LTD. shall have the right without any further notice or communication to the client to take any one or more of the following steps:

- 5.1. To withhold any payout of funds / securities.
- 5.2. To withhold / disable the trading / dealing facility to the client.
- 5.3. To liquidate one or more security(s) of the client by selling the same in such manner and at such rate which the FINWIZARD TECHNOLOGY PVT. LTD. may deem fit in its absolute discretion. It is agreed and understood by the client that securities here includes securities which are pending delivery / receipt.
- 5.4. To liquidate / square off partially or fully the position of sale & / or purchase in anyone or more securities / contracts in such manner and at such rate which the FINWIZARD TECHNOLOGY PVT. LTD. may decide in its absolute discretion.
- 5.5. To take any other steps which in the given circumstances, FINWIZARD TECHNOLOGY PVT. LTD. may deem

fit. The client agrees that the trade related loss(s) if any, on account of anyone or more steps as enumerated herein above being taken by FINWIZARD TECHNOLOGY PVT. LTD., shall be borne exclusively by the client alone and agrees not to question the reasonableness, requirements, timing, manner, form, pricing etc., which are chosen by FINWIZARD TECHNOLOGY PVT. LTD.

**6. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES.**

FINWIZARD TECHNOLOGY PVT. LTD. as member of the exchange delivers/receives securities to/from the clearing corporation on net obligation basis in respect of a settlement. In such a process, if a client, who has sold securities, short delivers the securities, which are to be delivered to another client of FINWIZARD TECHNOLOGY PVT. LTD., who has bought the same security, it is treated as internal shortage of securities. In case of internal shortages on pay in day, the deal will be closed out at the highest price prevailing in the NSE from the day on which the trade was originally executed till the day of closing out or 5% over the official closing price on the close out day whichever is higher and will be charged to the auction seller unless otherwise specified.

**7. CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THEBROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT.**

FINWIZARD TECHNOLOGY PVT. LTD. has margin based RMS System. Client may take exposure up to the amount of margin available with us. Client may not be allowed to take position in case of non-availability/ shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/ close out without giving notice due to shortage of margin / non making of payment for their pay-in obligation / outstanding debts. Further, the square off of client's open position or the selling of securities may be executed on such Exchanges and at such price as may be decided by FINWIZARD TECHNOLOGY PVT. LTD.. FINWIZARD TECHNOLOGY PVT. LTD. shall have no obligation of communicating the same to the Client. FINWIZARD TECHNOLOGY PVT. LTD. shall not be responsible for any losses incurred by the client due to such squaring off of the open position of the client.

In case overall position of client / clubbed position of client as per the SEBI guidelines, and/or on the basis of criteria set by Exchanges, in a scrip / derivatives contract has reached the Regulators prescribed Exchange limit /Market Wide Open Interest limit, then client may not be allowed to take further position, till such time Regulator prescribed limits comes down to create a new position. Further in Exchange / Segments where client positions are monitored at group level (i.e. entities are clubbed by Exchanges as per their guidelines), those set / group of customers together have to abide by position limits as mentioned above.

**8. TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST**

On the written request of the client, the client account can be suspended temporarily and can be re-activated on the written request of the client only. During suspension period, the market transaction will be prohibited. However client's pending settlement can take place. On the written request of the client, the client account can be closed provided the client adheres to formalities for account closure including settlement of all dues in the account and closing of all open position. If the client wishes to again open a broking account then the client shall have to complete the KYC and account opening formalities once again.

FINWIZARD TECHNOLOGY PVT. LTD. may suspend/close the client account, if FINWIZARD TECHNOLOGY PVT. LTD. observes any abnormal or suspicious activity in the client account through its monitoring and surveillance of the client account. FINWIZARD TECHNOLOGY PVT. LTD. may also at any time, suspend or close the client account due to any action from SEBI (e.g. SEBI orders) or Exchange, Circulars or other regulatory actions. Further, FINWIZARD TECHNOLOGY PVT. LTD. may also temporarily suspend/close the client account if there



is no activity in the client account for a period as deemed fit by FINWIZARD TECHNOLOGY PVT. LTD. from time to time.

Further, FINWIZARD TECHNOLOGY PVT. LTD. can withhold the payouts of client and suspend his/her trading account due to his surveillance action or judicial or/any regulatory order/action requiring client suspension.

## **9. DEREGISTERING A CLIENT**

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

- 9.1. If the action of the Client are prima facie illegal/ improper or such as to manipulate the price of any securities or disturb the normal/ proper functioning of the market, either alone or in conjunction with others.
- 9.2. If there is any commencement of a legal process against the Client under any law in force.
- 9.3. On the death/lunacy or other disability of the Client.
- 9.4. 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.
- 9.5. 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.
- 9.6. If the Client being a partnership firm, has any steps taken by the Client and/ or its partners for dissolution of the partnership.
- 9.7. If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution.
- 9.8. If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security.
- 9.9. If there is reasonable apprehension that the Client is unable to pay its debts or Client has admitted its inability to pay its debts as they become payable.
- 9.10. If the Client suffers any adverse material change in his / her / its financial position or defaults in any other agreement with the Stock broker.
- 9.11. If the Client is in breach of any term, condition or covenant of this Mandatory and Voluntary Client Registration Documents.
- 9.12. If any covenant or warranty of the Client is incorrect or untrue in any material respect.

## **10. POLICY FOR TREATMENT OF INACTIVE ACCOUNTS**

A Client account will be considered as inactive if not traded in the last 12 months across all exchanges. Accordingly, the inactive account will be freeze/blocked for trading immediately and marked as Inactive in UCC database of all

the respective Exchanges.

For re-activation of such trading account, the client shall be required to make a request to re-activate the account and provide updated information related to KYC. After undertaking sufficient due-diligence (including IPV) and fulfilling such conditions as may be deemed fit by FINWIZARD TECHNOLOGY PVT. LTD., client account will be re-activated.

During the blocked period if there are any debit/ dues to Finwizard Technology Private Limited in Client's account Finwizard Technology Private Limited shall have the authority to liquidate the Client's position to the required extent during the block period. During the block period if any corporate actions or pay-outs are due for return to the Client, the same will be affected/ returned by Finwizard Technology Private Limited to the Client's account.

### **CLIENT ACCEPTANCE OF POLICIES AND PROCEDURES STATED HERE IN ABOVE:**

I/We have fully understood the same and do hereby sign the same. These Policies and Procedures may be amended / changed by FINWIZARD TECHNOLOGY PVT. LTD., provided the change is informed to me / us with through anyone or more approved means or methods such as post / speed post / courier / registered post / registered AD / telegram / e-mail / voice mails / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer or mobile screen of the client's computer or mobile; by informing the client through employees / agents of the FINWIZARD TECHNOLOGY PVT. LTD.; by publishing / displaying it on the website of FINWIZARD TECHNOLOGY PVT. LTD./making it available as a download from the website or mobile application of the FINWIZARD TECHNOLOGY PVT.LTD.; by displaying it on the notice board of the branch / office through which the client trades or if the circumstances, so require, by radio broadcast / television broadcast / newspapers advertisements etc; or any other approved suitable or applicable mode or manner by an advance notice of 15 days. I/we agree that the postal department / the courier company / newspaper company and the e-mail/ voice mail service provider and such other service providers shall be my/our agent. These Policies and Procedures shall always be read along with the online terms and conditions on Finwizard Technology Private Limited's website and/or mobile application, Mandatory and Voluntary Client Registration Documents and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and FINWIZARD TECHNOLOGY PVT. LTD. before any court of law / judicial /adjudicating authority including arbitrator / mediator etc.

### **Other Terms & Conditions:**

Finwizard Technology Private Limited may refuse to act on any instructions unless they are given in the manner and form acceptable to Finwizard Technology Private Limited. However, Finwizard Technology Private Limited shall have no responsibility to determine the authenticity of any instructions given or purported to be given by the Client. The Client shall not hold Finwizard Technology Private Limited liable on account of Finwizard Technology Private Limited acting in good faith on instructions given by the Client or its authorized representative.

The Client shall be responsible for the personal and bank related details provided by the Client to Finwizard Technology Private Limited. Finwizard Technology Private Limited shall not be liable for any claims, demands, losses or damages which may arise as a consequence of the erroneous information provided by the Client.

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

1. The client shall invest/trade in those securities/contracts/other instruments admitted to dealings on the Exchanges as

defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.

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

#### **CLIENT INFORMATION**

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

#### **MARGINS**

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

#### **TRANSACTIONS AND SETTLEMENTS**

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

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

#### **BROKERAGE**

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

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

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

#### **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed

through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

#### **TERMINATION OF RELATIONSHIP**

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

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

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

specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.
37. The stock broker/ stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

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

38. 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.
39. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
40. 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.
41. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
42. 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.
43. 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**

44. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
45. 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.
46. 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.
47. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.
48. 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.
49. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.



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

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

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



## **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.

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

2.1.2. 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.

- 2.1.3. 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.
- 2.1.4. 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.
- 2.1.5. 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:**

- 2.2.1. 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.
- 2.2.2. 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.
- 2.2.3. 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:**

- 2.3.1 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.
- 2.3.2 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 options writers:**

- 2.4.1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
- 2.4.2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
- 2.4.3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

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

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

### **4. GENERAL:**

- 4.1. The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.
- 4.2. The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

## **RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT ASPRESCRIBED BY SEBI AND DEPOSITORIES**

### **GENERAL CLAUSE**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars / Notifications / Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

### **BENEFICIAL OWNER INFORMATION**

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

### **FEES/CHARGES/TARIFF**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.

7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

### **DEMATERIALIZATION**

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

### **SEPARATE ACCOUNTS**

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

### **TRANSFER OF SECURITIES**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

### **STATEMENT OF ACCOUNT**

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the dp shall send one physical statement of holding annually to such Bos and shall resume the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However, if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

## **MANNER OF CLOSURE OF DEMAT ACCOUNT**

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

## **DEFAULT IN PAYMENT OF CHARGES**

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

## **LIABILITY OF THE DEPOSITORY**

21. As per Section 16 of Depositories Act, 1996,
  1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
  2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

## **FREEZING/DEFREEZING OF ACCOUNTS**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

## **REDRESSAL OF INVESTOR GRIEVANCE**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

### **AUTHORIZED REPRESENTATIVE**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

### **LAWS AND JURISDICTION**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise have the same meanings as assigned thereto in Rules, Bye-Laws requires, Regulations and circulars/notices issued there under by depository and /or SEBI
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.





## **TERMS AND CONDITIONS-CUM-REGISTRATION / MODIFICATION FORM FOR RECEIVING SMS ALERTS FROM CDSL**

**[SMS Alerts will be sent by CDSL to BOs for all debits]**

### **DEFINITIONS:**

In these Terms and Conditions, the terms shall have following meaning unless indicated otherwise:

1. "Depository" means Central Depository Services (India) Limited a company incorporated in India under the Companies Act 1956 and having its registered office at 17th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400001 and all its branch offices and includes its successors and assigns.
2. 'DP' means Depository Participant of CDSL. The term covers all types of DPs who are allowed to open demat accounts for investors.
3. 'BO' means an entity that has opened a demat account with the depository. The term covers all types of demat accounts, which can be opened with a depository as specified by the depository from time to time.
4. SMS means "Short Messaging Service"
5. "Alerts" means a customized SMS sent to the BO over the said mobile phone number.
6. "Service Provider" means a cellular service provider(s) with whom the depository has entered / will be entering into an arrangement for providing the SMS alerts to the BO.
7. "Service" means the service of providing SMS alerts to the BO on best effort basis as per these terms and conditions.

### **AVAILABILITY:**

8. The service will be provided to the BO at his / her request and at the discretion of the depository. The service will be available to those account holders who have provided their mobile numbers to the depository through their DP. The services may be discontinued for a specific period / indefinite period, with or without issuing any prior notice for the purpose of security reasons or system maintenance or for such other reasons as may be warranted. The depository may also discontinue the service at any time without giving prior notice for any reason whatsoever.
9. The service is currently available to the BOs who are residing in India.
10. The alerts will be provided to the BOs only if they remain within the range of the service provider's service area or within the range forming part of the roaming network of the service provider.
11. In case of joint accounts and non-individual accounts the service will be available, only to one mobile number i.e. to the mobile number as submitted at the time of registration / modification.
12. The BO is responsible for promptly intimating to the depository in the prescribed manner any change in mobile number, or loss of handset, on which the BO wants to receive the alerts from the depository. In case of change in mobile number not intimated to the depository, the SMS alerts will continue to be sent to the last registered mobile

phone number. The BO agrees to indemnify the depository for any loss or damage suffered by it on account of SMS alerts sent on such mobile number.

**RECEIVING ALERTS:**

13. The depository shall send the alerts to the mobile phone number provided by the BO while registering for the service or to any such number replaced and informed by the BO from time to time. Upon such registration / change, the depository shall make every effort to update the change in mobile number within a reasonable period of time. The depository shall not be responsible for any event of delay or loss of message in this regard.
14. The BO acknowledges that the alerts will be received only if the mobile phone is in 'ON' and in a mode to receive the SMS. If the mobile phone is in 'Off' mode i.e. unable to receive the alerts then the BO may not get / get after delay any alerts sent during such period.
15. The BO also acknowledges that the readability, accuracy and timeliness of providing the service depend on many factors including the infrastructure, connectivity of the service provider. The depository shall not be responsible for any non-delivery, delayed delivery or distortion of the alert in any way whatsoever.
16. The BO further acknowledges that the service provided to him is an additional facility provided for his convenience and is susceptible to error, omission and/ or inaccuracy. In case the BO observes any error in the information provided in the alert, the BO shall inform the depository and/ or the DP immediately in writing and the depository will make best possible efforts to rectify the error as early as possible. The BO shall not hold the depository liable for any loss, damages, etc. that may be incurred/ suffered by the BO on account of opting to avail SMS alerts facility.
17. The BO authorizes the depository to send any message such as promotional, greeting or any other message that the depository may consider appropriate, to the BO. The BO agrees to an ongoing confirmation for use of name, email address and mobile number for marketing offers between CDSL and any other entity.
18. The BO agrees to inform the depository and DP in writing of any unauthorized debit to his BO account/ unauthorized transfer of securities from his BO account, immediately, which may come to his knowledge on receiving SMS alerts. The BO may send an email to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com). The BO is advised not to inform the service provider about any such unauthorized debit to/ transfer of securities from his BO account by sending a SMS back to the service provider as there is no reverse communication between the service provider and the depository.
19. The information sent as an alert on the mobile phone number shall be deemed to have been received by the BO and the depository shall not be under any obligation to confirm the authenticity of the person(s) receiving the alert.

20. The depository will make best efforts to provide the service. The BO cannot hold the depository liable for non-availability of the service in any manner whatsoever.
21. If the BO finds that the information such as mobile number etc., has been changed without proper authorization, the BO should immediately inform the DP in writing.

**FEES:**

Depository reserves the right to charge such fees from time to time as it deems fit for providing this service to the BO.

**DISCLAIMER:**

The depository shall make reasonable efforts to ensure that the BO's personal information is kept confidential. The depository does not warranty the confidentiality or security of the SMS alerts transmitted through a service provider. Further, the depository makes no warranty or representation of any kind in relation to the system and the network or their function or their performance or for any loss or damage whenever and howsoever suffered or incurred by the BO or by any person resulting from or in connection with availing of SMS alerts facility. The Depository gives no warranty with respect to the quality of the service provided by the service provider. The Depository will not be liable for any unauthorized use or access to the information and/ or SMS alert sent on the mobile phone number of the BO or for fraudulent, duplicate or erroneous use/ misuse of such information by any third person.

**LIABILITY AND INDEMNITY:**

The Depository shall not be liable for any breach of confidentiality by the service provider or by any third person due to unauthorized access to the information meant for the BO. In consideration of the depository providing the service, the BO agrees to indemnify and keep safe, harmless and indemnified the depository and its officials from any damages, claims, demands, proceedings, loss, cost, charges and expenses whatsoever which a depository may at any time incur, sustain, suffer or be put to as a consequence of or arising out of interference with or misuse, improper or fraudulent use of the service by the BO.

**AMENDMENTS:**

The depository may amend the terms and conditions at any time with or without giving any prior notice to the BOs. Any such amendments shall be binding on the BOs who are already registered as user of this service.

**GOVERNING LAW AND JURISDICTION:**

Providing the Service as outlined above shall be governed by the laws of India and will be subject to the exclusive jurisdiction of the courts in Mumbai. I/We wish to avail the SMS Alerts facility provided by the depository on my/our mobile number provided in the registration form subject to the terms and conditions mentioned below. I/ We consent to CDSL providing to the service provider such information pertaining to account/transactions in my/our account as is necessary for the purposes of generating SMS Alerts by service provider, to be sent to the said mobile number.

I/We have read and understood the terms and conditions mentioned above and agree to abide by them and any amendments thereto made by the depository from time to time. I/ we further undertake to pay fee/ charges as may be levied by the depository from time to time.

I / We further understand that the SMS alerts would be sent for a maximum four ISINs at a time. If more than four debits take place, the BOs would be required to take up the matter with their DP.

I/We am/ are aware that mere acceptance of the registration form does not imply in any way that the request has been accepted by the depository for providing the service.

I/We provide the following information for the purpose of **REGISTRATION / MODIFICATION** (Please cancel out what is not applicable).

BOID 

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(Please write your 8 digit DPID) (Please write your 8 digit Client ID)

Mobile Number on which message are to be sent on

+91										
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(Please write only the mobile number without prefixing country code or zero)

The mobile number is registered in the name of: \_\_\_\_\_

Email ID: \_\_\_\_\_

(Please write only one valid email ID on which communication; if any, is to be sent)

Signatures: \_\_\_\_\_  
Sole/first holder      Second holder      Third holder

Place:  
Date:

**TERMS AND CONDITIONS FOR AVAILING TRANSACTIONS USING SECURED TEXTING (TRUST)**  
**SERVICE OFFERED BY CDSL**

**1. DEFINITIONS:**

In these Terms and Conditions, the terms shall have following meaning unless indicated otherwise:

- 1.1. "Depository" means Central Depository Services (India) Limited (CDSL)
- 1.2. TRUST means "Transactions Using Secured Texting" service offered by the Depository.
- 1.3. "Service Provider" means a cellular service provider(s) with whom the Depository has entered / shall enter into an arrangement for providing the TRUST service to the BO.
- 1.4. "Service" means the service of providing facility to receive/give instructions through SMS on best effort basis as per the following terms and conditions. The types of transaction that would normally qualify for this type of service would be informed by CDSL from time to time.
- 1.5. "Third Party" means the operators with whom the Service Provider is having / will have an arrangement for providing SMS to the BO.
2. The service will be provided to the BO at his / her request and at the discretion of the depository provided the BO has registered for this facility with their mobile numbers through their DP or by any other mode as informed by CDSL from time to time. Acceptance of application shall be subject to the verification of the information provided by the BO to the Depository
3. The messages will be sent on best efforts basis by way of an SMS on the mobile no which has been provided by the BOs. However Depository shall not be responsible if messages are not received or sent for any reason whatsoever, including but not limited to the failure of the service provider or network.
4. The BO is responsible for promptly informing its DP in the prescribed manner any change in mobile number, or loss of handset on which the BO wants to send/receive messages generated under TRUST. In case the new number is not registered for TRUST in the depository system, the messages generated under TRUST will continue to be sent to the last registered mobile number. The BO agrees to indemnify the depository for any loss or damages suffered by it on account of messages sent on such mobile number.
5. The BO agrees that SMS received by the Depository from the registered mobile number of the BO on the basis of which instructions are executed in the depository system shall be conclusive evidence of such instructions having been issued by the BO. The DP / CDSL will not be held liable for acting on SMS so received.
6. The BO shall be responsible for submitting response to the 'Responsive SMS' within the specified time period. Transactions for which no positive or negative confirmation is received from the BO, will not be executed except for transaction for deregistration. Further, CDSL shall not be responsible for BOs not submitting the response to the

said SMS within the time limit prescribed by CDSL.

7. The BO agrees that the signing of the TRUST registration form by all joint holders shall mean that the instructions executed on the basis of SMS received from the registered mobile for TRUST shall be deemed to have been executed by all joint holders.
8. The BO agrees to ensure that the mobile number for TRUST facility and SMS alert (SMART) facility is the same. The BO agrees that if he is not registered for SMART, the DP shall register him for SMART and TRUST. If the mobile number provided for TRUST is different from the mobile number recorded for SMART, the new mobile number would be updated for SMART as well as TRUST.
9. BOs are advised to check the status of their obligation from time to time and also advise the respective CMs to do so. In case of any issues, the BO/CM should approach their DPs to ensure that the obligation is fulfilled through any other mode of delivery of transactions as may be informed / made available by CDSL from time to time including submission of Delivery Instruction Slips to the DP.
10. The BO acknowledges that CDSL will send the message for confirmation of a transaction to the BO only if the Clearing Member (registered by the BO for TRUST) enters the said transaction in CDSL system for execution through TRUST within prescribed time limit.
11. The BO further acknowledges that the BO/CM shall not have any right to any claim against either the DP or Depository for losses, if any, incurred due to non-receipt of response on the responsive SMS or receipt of such response after the prescribed time period. In the event of any dispute relating to the date and time of receipt of such response, CDSL's records shall be conclusive evidence and the Parties agree that CDSL's decision on the same shall be final and binding on both Parties.
12. The BO may request for deregistration from TRUST at any time by giving a notice in writing to its DP or by any other mode as specified by Depository in its operating instructions. The same shall be effected after entry of such request by the DP in CDSL system if the request is received through the DP.
13. Depository reserves the right to charge such fees from time to time as it deems fit for providing this service to the BO.
14. The BO expressly authorises Depository to disclose to the Service Provider or any other third party, such BO information as may be required by them to provide the services to the BO. Depository however, shall not be responsible and be held liable for any divulgence or leakage of confidential BO information by such Service Providers or any other third party.
15. The BO takes the responsibility for the correctness of the information supplied by him to Depository through the use of the said Facility or through any other means such as electronic mail or written communication.
16. The BO is solely responsible for ensuring that the mobile number is not misused and is kept safely and securely.

The Depository will process requests originated from the registered Mobile as if submitted by the BO and Depository is not responsible for any claim made by the BO informing that the same was not originated by him.

**17. Indemnity:**

In consideration of providing the service, the BO agrees that the depository shall not be liable to indemnify the BO towards any damages, claims, demands, proceedings, loss, cost, charges and expenses whatsoever as a consequence of or arising out of interference with or misuse, improper or fraudulent use of the service by the BO.

**18. Disclaimer:**

Depository shall be absolved of any liability in case:-

- 18.1. There is loss of any information during processing or transmission or any unauthorized access by any other person or breach of confidentiality.
- 18.2. There is any lapse or failure on the part of the service providers or any third party affecting the said Facility and that Depository makes no warranty as to the quality of the service provided by any such service provider.
- 18.3. There is breach of confidentiality or security of the messages whether personal or otherwise transmitted through the Facility.

## Investor Charter – Stock Brokers

Annexure-A

### VISION

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

### MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep ‘protection of investors’ interest’ as goal while providing service.

### **Services provided to Investors**

- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.
- Facilitate execution of early pay-in obligation instructions.
- Settlement of client’s funds.
- Intimation of securities held in Client Unpaid Securities Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor’s grievances.

### **Rights of Investors**

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- **Understand** the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access.
- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.



### Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	10 days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading
5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade
8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10.	'Statement of Accounts' for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	30 days from the receipt of the complaint

### DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> <li>1. Read all documents and conditions being agreed before signing the account opening form.</li> <li>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.</li> <li>3. Read the product / operational framework / timelines related to various Trading and Clearing &amp; Settlement processes</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not deal with unregistered stock broker.</li> <li>2. Do not forget to strike off blanks in your account opening and KYC.</li> <li>3. Do not submit an incomplete account opening and KYC form.</li> </ol>

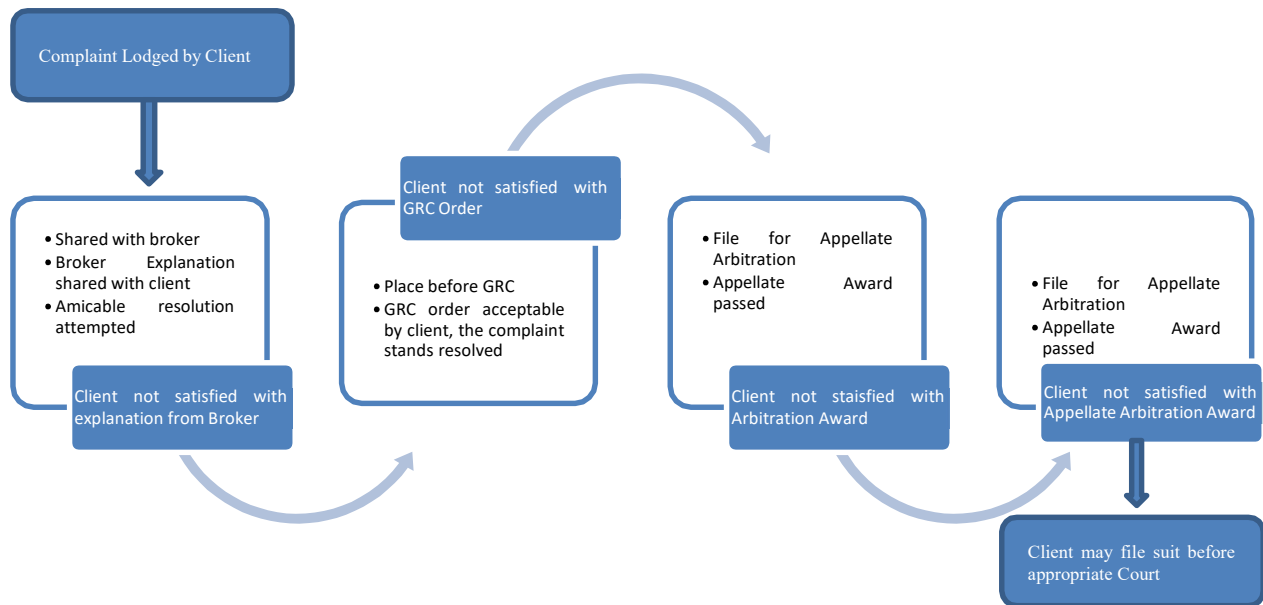
<ol style="list-style-type: none"> <li>4. Receive all information about brokerage, fees and other charges levied.</li> <li>5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.</li> <li>6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.</li> <li>7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities / commodities on time within 24 hours from pay-out.</li> <li>9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.</li> <li>10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).</li> <li>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</li> </ol>	<ol style="list-style-type: none"> <li>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.</li> <li>5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stockbroker.</li> <li>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.</li> <li>7. Do not opt for digital contracts, if not familiar with computers.</li> <li>8. Do not share trading password.</li> <li>9. Do not fall prey to fixed / guaranteed returns schemes.</li> <li>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.</li> <li>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.</li> </ol>
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### Grievance Redressal Mechanism

**Level 1** – Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

**Level 2** – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.

Complaints Resolution Process at Stock Exchange explained graphically:



### Timelines for complaint resolution process at Stock Exchanges against stock brokers

S. No.	Type of Activity	Timelines for activity
1.	Receipt of Complaint	Day of complaint (C Day).
2.	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3.	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4.	Amicable Resolution.	T+15 Working Days.
5.	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6.	Complete resolution process post GRC.	T + 30 Working Days.
7.	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8.	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
9.	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order

S. No.	Type of Activity	Timelines for activity
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF). The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

### **Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM)**

#### **Default of TM/CM**

Following steps are carried out by Stock Exchange for benefit of investor, in case stock broker defaults:

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period.

Following information is available on Stock Exchange website for information of investors:

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.

**Level 3** – The complaint not redressed at Stock Broker / Stock Exchange level, may be lodged with SEBI on SCORES (a web based centralized grievance redressal system of SEBI) @ <https://scores.gov.in/scores/Welcome.html>



## **INVESTOR CHARTER FOR DEPOSITORIES AND DEPOSITORY PARTICIPANTS**

### **1. Vision**

Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.

### **2. Mission**

- To hold securities of investors in dematerialized form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
- To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
- To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.

### **3. Details of business transacted by the Depository and Depository Participant (DP)**

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP).

There are two Depositories in India, namely, Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL).

Finwizard Technology Private Ltd (FISDOM) is registered as a DP with CDSL to provide Depository services to our customers.

### **4. Description of services provided by CDSL through FISDOM to investors**

#### (1) Basic Services

Sr. No.	Brief about the Activity / Service	Expected Timelines for processing by FISDOM after receipt of proper documents from the customer
1.	Dematerialization of securities – conversion of physical share certificates to electronic form.	7 days
2.	Dematerialization of securities – conversion of electronic holdings to physical share certificates.	7 days
3.	Mutual Fund Conversion / Determinization – conversion of MF statements to electronic form.	5 days
4.	Re-conversion / Restatementisation of Mutual fund units – conversion of Electronic MF holdings to physical statement form.	7 days

5.	Transmission of securities - Transfer of securities to the DP account of the Nominee(s) / Successor(s) / surviving Joint holder(s) on the death of Sole holder / Joint holder(s).	7 days
6.	Registering pledge request	15 days
7.	Closure of demat account	30 days
8.	Settlement Instruction	Physical DIS – up to 4 p. m. on T+1 day. Electronic DIS - up to 6 p. m on T+1 day.

(2) CDSL provide special services like pledge, hypothecation, internet-based services etc. in addition to their core services and these include:

Sr. No.	Type of Activity /Service	Brief about the Activity / Service
1.	Value Added Services	Mentioned below are some of the value-added services provided by CDSL: a. Basic Services Demat Account (BSDA)- <a href="#">Click here to view</a> b. Transposition cum dematerialization – <a href="#">Click here to view</a> c. Linkages with Clearing System - <a href="#">Click here to view</a> d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending.
2.	Consolidated Account statement (CAS)	The consolidated account statement is a single document that provides the investor with all the pertinent details of their transactions and investments related to depository accounts and mutual funds investment in an organized manner. CAS is issued by CDSL 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
3.	Digitalization of services provided by CDSL	CDSL offer below technology solutions and e-facilities to their demat account holders through FISDOM: a. E-account opening – <a href="#">Click here to view</a> b. Online instructions for execution – <a href="#">Click here to view</a> c. e-DIS / Demat Gateway – <a href="#">Click here to view</a> d. e-CAS facility – <a href="#">Click here to view</a> e. Miscellaneous services – <a href="#">Click here to view</a>

## 5. Details of Grievance Redressal Mechanism

(1) The Process of investor grievance redressal.

1.	Investor Complaint/ Grievances	Investor can lodge complaint/ grievance against CDSL/ FISDOM in the following ways: a. Electronic mode - (i) SCORES (a web based centralized grievance redressal system of SEBI). <a href="https://www.scores.gov.in/scores/Welcome.html">https://www.scores.gov.in/scores/Welcome.html</a> (ii) CDSL’s web portal dedicated for the filing of complaint. <a href="https://www.cdslindia.com/Footer/grievances.aspx">https://www.cdslindia.com/Footer/grievances.aspx</a> (iii) Emails to designated email IDs of CDSL - <a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a> .
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		(iv) Emails to designated email IDs of FISDOM –ask@fisdome.com b. Offline mode: Call the dedicated Customer care numbers of FISDOM – 9642596425. The complaints/ grievances lodged through any of the above-mentioned options shall be resolved within 30 days
2.	Investor Grievance Redressal Committee of CDSL	If no amicable resolution is arrived, then the Investor has the option to refer the complaint/ grievance to the Grievance Redressal Committee (GRC) of CDSL. Upon receipt of reference, the GRC will endeavour to resolve the complaint/ grievance by hearing the parties, and examining the necessary information and documents.
3.	Arbitration proceedings	The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of CDSL in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s).

(2) For the Multi-level complaint resolution mechanism available at FISDOM & CDSL please refer to link [Complaint Resolution process – Click here to view](#)

**Guidance pertaining to special circumstances related to market activities:**

Sr. No.	Type of special circumstances	Timelines for the Activity/ Service
1.	<ul style="list-style-type: none"> <li>• Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.</li> <li>• Participant surrenders the participation by its own wish.</li> </ul>	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.

**6. Dos and Don'ts for Investors**

For Do's and Don'ts please refer to the link [Dos and Don'ts for Investor – Click here to view](#)

**7. Rights of investors**

For rights, please refer to the link [Rights of investors – Click here to view](#)

**8. Responsibilities of Investors**

For responsibilities, please refer to the link [Responsibilities of Investors – Click here to view](#)