



**G.A.VASANT(FUTURE)**

**CLIENT REGISTRATION FORM  
INDIVIDUAL**

<b>Application Form No:</b>
<b>Branch Code</b>
<b>Client Code</b>

**Navin House, IVth Floor, New No: 308, Thambu Chetty Street, Chennai – 600001  
Mail: [contact@gavasant.com](mailto:contact@gavasant.com) ; Tel: 044 – 2523 1600; Fax: 044-2522 2391  
Website: [www.gavasant.com](http://www.gavasant.com)**

Annexure – 1  
**ACCOUNT OPENING KIT**

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		B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	6 - 10
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3	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	16 - 19
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5	Policies and Procedures	Document describing significant policies and procedures of the trading member (to be added by the trading member)	22 - 23
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*For any grievance/dispute please contact us at the address mentioned or mail us at [grievance@gavasant.com](mailto:grievance@gavasant.com) or contact us at 044 – 2523 1600. In case not satisfied with the response, please contact the concerned exchange(s) (MCX-SX) at [investorcomplaints@mcx-sx.com](mailto:investorcomplaints@mcx-sx.com) or 044 – 6731 9000.*





# G.A.VASANT(FUTURE)

Registered Office: NAVIN HOUSE, IVth floor, New No. 308, Thambu Chetty Street, Chennai - 600001  
 Tel: 044 – 25231600 Fax: 25222391; E-mail: contact@gavasant.com; Website: www.gavasant.com

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E-mail	:murali@gavasant.com	E-mail	:contact@gavasant.com

MCX-SX (Currency Derivatives)		IL&FS Securities Services Limited (Clearing Member)	
SEBI No INE260388413	Date of Reg. 07 Feb 2011	SEBI No INE26131337	IL&FS House, Financial Centre, Plot No:14, Raheja Vihar, Chandivali, Andheri (E), Mumbai - 400 072

## Annexure – 2

### KNOW YOUR CLIENT (KYC) APPLICATION FORM

CLIENTCODE  DATE

Please affix your recent passport size photograph and sign across it



Signature of the Applicant

### A. PERSONAL DETAILS OF THE APPLICANT

Applicant's Name	<input type="text"/>
Father's/Spouse Name	<input type="text"/>
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Date of Birth	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Marital Status	<input type="checkbox"/> Married <input type="checkbox"/> Single
Nationality	<input type="checkbox"/> Indian <input type="checkbox"/> Others(Please specify).....
Residential status	<input type="checkbox"/> Resident Individual <input type="checkbox"/> NRI Others (Please specify).....
PAN No. (mandatory)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

### B. PROOF OF IDENTITY

<b>Specify the proof of Identity submitted</b>	
Passport No	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Place of Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Voters id No	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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Ration card	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Date of Expiry	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Driving License	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
PAN No	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**C. CORRESPONDENCE ADDRESS**

Flat / House No:	
House Name	
Street Name	
Locality	
City/Town	
Pin code	Country
State	

Specify the proof of address submitted \_\_\_\_\_

**D. PERMANENT ADDRESS**

Same as Above  Others

Flat / House No:	
House Name	
Street Name	
Locality	
City/Town	
Pin code	Country
State	

Specify the proof of address submitted \_\_\_\_\_

**E. CONTACT DETAILS**

Tele. No. Off:	
Tele. No. Res:	
Mobile	
Fax	
E-mail	

**F.OTHER DETAILS**

<b>OCCUPATION DETAILS</b>				
<input type="checkbox"/> Private Sector	<input type="checkbox"/> Public sector	<input type="checkbox"/> Govt. Service	<input type="checkbox"/> Business	<input type="checkbox"/> Professional
<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Retired	<input type="checkbox"/> House wife	<input type="checkbox"/> Student	<input type="checkbox"/> Others
<b>GROSS ANNUAL INCOME DETAILS</b>				
<input type="checkbox"/> Below Rs.1 lac	<input type="checkbox"/> 1 – 5 lac	<input type="checkbox"/> 5 – 10 lac	<input type="checkbox"/> 10 – 25 lac	<input type="checkbox"/> >25 lac
Networth (as on date).....				

Please tick if applicable  Politically Exposed person (PEP)  
 Related to Politically Exposed person

Any other information \_\_\_\_\_

**DECLARATION**

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

 \_\_\_\_\_

Signature of the Applicant

Date 

D	D	M	M	Y	Y	Y	Y
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**FOR OFFICE USE ONLY**

Client code allotted 

--	--	--	--	--	--	--	--

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

Date.....

(.....)  
Signature of the Authorised Signatory

Seal/Stamp of the intermediary



Whether dealing with any other trading member/sub-broker (if case dealing with multiple trading members/sub-brokers, provide details of all)

Name of Trading Member

Sub broker's Name (if any)

Client code  Exchange

Details of disputes/dues pending from/to such trading member/sub broker: .....

**E. ADDITIONAL DETAILS**

Whether you wish to receive contract note in

Physical Format

Electronic Contract Note (ECN)

*If ECN is opted, the contract note will be send to the E-mail id mentioned in the client (KYC) application form*

Whether you wish to avail the facility of internet trading  Yes

No

No: of years of investment/ Trading experience: .....

Any other information : .....

Occupation

Employed

Self-Employed

Professional

Business

Housewife

Others(please specify)

Name of the Employer / Establishment

Designation

Address of Employer

City/Town/Village

Pin Code  Phone no

State

**F. INTRODUCER DETAILS**

Name of the Introducer

Status of the Introducer  Employee  DSA  Authorised Person

Contact no:

E-mail id


.....  
Signature of the Introducer



**DECLARATION**

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

Place:  
Date:

 \_\_\_\_\_  
Signature of the Applicant

**FOR OFFICE USE ONLY**

UCC code allotted to the client 

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

	Documents verified with originals	Client Interviewed By	In-Person Verification By
Name of the Employee			
Employee code			
Designation of the Employee			
Date			
Signature			

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

Date: .....

.....  
(Signature of the Authorised Signatory)

Seal/Stamp of the Trading Member

## INSTRUCTION / CHECKLIST

### A. Important Points:

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

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

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

### C. Proof of Address (POA): - List of documents admissible as Proof of Address:

*(\*Documents having an expiry date should be valid on the date of submission.)*

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

#### **D. Exemptions/clarifications to PAN**

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

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

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

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

### **ADDITIONAL INSTRUCTIONS/ CHECK LIST**

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

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

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

#### **2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.**

#### **3. Demat master or recent holding statement issued by DP bearing name of the client.**

#### **4. For individuals:**

- a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.
- b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.

## Annexure – 4

### **RIGHTS AND OBLIGATIONS OF TRADING MEMBERS, 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 trading member, 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 trading member to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the trading member and the client shall from time to time continue to satisfy itself of such capability of the trading member before executing orders through the trading member.
4. The trading member 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 trading member shall take steps to make the client aware of the precise nature of the Trading member's liability for business to be conducted, including any limitations, the liability and the capacity in which the trading member acts.
6. The sub-broker shall provide necessary assistance and co-operate with the trading member 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 trading member 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 trading member shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the trading member 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 \ her capacity. The client shall provide/update the financial information to the trading member on a periodic basis.
10. The trading member 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 trading member may so disclose information about his \ her 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 trading member 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 trading member 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 trading member. The trading member shall

ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

14. The trading member 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 trading member shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his \ her /its own account or account of any other client and shall not be used by the trading member 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, trading member 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 trading member 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 trading member renders to the Client. The trading member 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 trading member's other rights (including the right to refer a matter to arbitration), the client understands that the trading member 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 \ her /its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, trading member may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his \ her 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 trading member against the legal heir.
21. The trading member 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 trading member to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

22. The trading member shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The trading member 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 trading member 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 trading member 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 trading member and the client shall be terminated; if the trading member for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the trading member's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
28. The trading member, 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 \ her /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 \ her /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 trading member, 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 trading member and all clauses in the 'Rights and Obligations' document(s) governing the trading member, sub-broker and client shall continue to be in force as it is, unless the client intimates to the trading member his \ her /its intention to terminate their relationship by giving a notice in writing of not less than one month.

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

30. The trading member 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 trading member 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 trading member shall issue a contract note to his \ her 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 trading member 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 trading member 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 trading member 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 Trading member.
35. The trading member 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 trading member and is capable of performing his \ her obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the trading member. The client shall communicate to the trading member any change in the email-id through a

physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

38. The trading member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the trading member shall amount to delivery of the contract note at the e-mail ID of the client.
40. The trading member 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 trading member 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 trading member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The trading member 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 trading member shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the trading member shall simultaneously publish the ECN on his \ her designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

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



Signature of the Applicant

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**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. Trading member 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 trading member 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 Trading member shall provide the Trading member's IBT Service to the Client, and the Client shall avail of the Trading member's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Trading member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The trading member 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 trading member.
4. The trading member shall make the client aware that the Trading member'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 Trading member'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 \ her authorized representative are not revealed to any third party including employees and dealers of the trading member
6. The Client shall immediately notify the Trading member in writing if he forgets his \ her password, discovers security flaw in Trading member's IBT System, discovers/suspects discrepancies/ unauthorized access through his \ her 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 trading member shall send the order/trade confirmation through email to the client at his \ her 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 trading member 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 Trading member and the Exchange do not make any representation or warranty that the Trading member'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 Trading member on account of any suspension, interruption, non-availability or malfunctioning of the Trading member's IBT System or Service or the Exchange's service or systems or non-execution of his \ her orders due to any link/system failure at the Client/Trading members/Exchange end for any reason beyond the control of the trading member/Exchanges.



Signature of the Applicant

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## Annexure – 5

### RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned trading member. 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 trading member shall be subject to your fulfilling certain formalities set out by the trading member, 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 trading member 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 Rumours:**

Rumours 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 rumours.

## **1.7 System Risk:**

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

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

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

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

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

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

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

In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

- A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the trading member may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

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

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

### 2.3 Risk of Option holders:

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his \ her option in the secondary market nor exercises it prior to its expiration will necessarily lose his \ her 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 \ her investment in the option.
2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

### 2.4 Risks of Option Writers:

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

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

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

### 4. GENERAL

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

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



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Signature of the Applicant

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## Annexure - 6

### 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.exchange.com](http://www.exchange.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 trading member.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the trading member. Note that the clauses as agreed between you and the trading member 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 trading member free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Trading member, 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 trading member may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the trading member 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 trading member.
11. Make the payments by account payee cheque in favour of the trading member. 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 trading member, 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 trading member 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 trading member, at least once in a calendar quarter or month, depending on your preference. While settling the account, the trading member 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 trading member 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 trading member 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 trading member 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 trading member. 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 trading member, 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 trading member surrenders his \ her membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your trading member, particularly in the event of a default or the trading member'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 trading members are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned trading member/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 trading member/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.



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Signature of the Applicant

Date 

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## POLICIES & PROCEDURES

**a) Refusal of orders for Penny Stocks / Illiquid Contracts:** An illiquid future contract is one in which there is relatively low or nil trading activity. Such contracts are generally considered to be highly speculative and of high risk because they lack liquidity and have large bid-ask spreads. Depending on the market condition and risk policy of the company, the Trading member reserves the right to refuse/prevent the execution of any transaction request of the client on such contracts or to reduce the open positions of the client in such contracts. The Trading member also reserves the right to suspend such contracts from trading and losses, actual or notional if any, on account of such refusal shall be borne entirely by the client only.

**b) Setting up client's exposure limits:** The margin towards trading and carry forward positions and all other related charges has to be maintained in the form of funds, which has to be paid in to the trading member bank account only from the client's bank account registered in the trading member database (as mentioned by the client in the account opening form). The trading member at present does not accept securities as margin deposit. In case the payment of the margin / security is made by the client through a bank instrument, the Trading member 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 Trading member. The Trading member may at their discretion impose and vary limits on the orders that the client can place through the Trading member's trading system (including exposure limits, turnover limits, kind of contracts for which order can be placed etc.).

The client is aware that the margin amount against each contract may vary during the day depending on the market conditions and the trading member has the right to collect margin amount needed (which includes margin amount as stipulated by SEBI/various Exchanges and the additional margins collected by the Trading member, in view of the market volatility and risk) or else reduce the limits urgently on the basis of the Trading member's risk perception and other factors considered relevant by the Trading member including but not limited to limits on account of exchange/SEBI directions. The client agrees that the margin amount same shall be maintained at all times. The client is also aware that the trading member maybe unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the trading member at its discretion and without prior information can prohibit or restrict the client's ability to trade in Currency Derivatives segment through its trading systems due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by Trading member/ Exchanges/SEBI and any other reasons which the trading member may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

**c) Applicable brokerage rate:** Brokerage will be charged within the limits prescribed by SEBI/Exchange. The brokerage and other charges shall vary from client to client based on various factors including the turnover generated by the client, the services and facilities provided by the trading member etc. Brokerage rate is subject to change and any change in the same to the higher end shall be informed to the client through any of the agreed upon mode of communication. The brokerage shall however be exclusive of all statutory charges payable to Exchange/SEBI /Clearing Member/Clearing Corporation/Govt. Authorities etc.

**d) Imposition of penalty / delayed payment charges:** The client hereby agrees to pay the late pay in / delayed payment charges at the rate of 24% per annum towards delayed payment of their pay in / margin obligation on time as per the exchange requirement. The client agrees that the Trading member may pass on to the client all penalties or 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.

**e) The right to close client's positions, without giving notice to the client, on account of non-payment of client's dues:** The Trading member shall be entitled to liquidate/close out all or any of the clients position without giving notice to the client for non payment margins or other amounts including the pay in obligation, penalties, outstanding debts etc. and adjust the proceeds of such liquidation/ close out, if any, against the clients liabilities/obligations. Any loss and charges on account of such liquidations/closing out shall be charged to & borne by the client. The client shall ensure timely availability of funds in the form and manner at designated time and in designated bank, for meeting its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations / closing out shall be charged to & borne by the client. In case the payment of the margin / security is made by the client through a bank instrument, the Trading member 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 Trading member. The Trading member has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever ever earlier. The Trading member will have sole discretion to decide the stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices and the client shall also be solely liable for all and any penalties and charges levied by the exchange(s). The Trading member may, in its sole discretion, square off any outstanding position of the client due to any restrictions in relation to volume of trading / outstanding business or margins stipulated by the Exchange, Clearing Corporation / Clearing House and / or by itself and / or any other extraordinary event warranting such square off, without prior intimation to client.

**f) Shortages in obligations arising out of internal netting of trades:** Trading member shall not be obliged to pay any money to the client unless and until the same has been received by the Trading member from the exchange, the clearing corporation / clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first.

**g) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:** Trading member has margin based risk management system. Client may take exposure upto the amount of margin available with the Trading member. Client may not be allowed to take position in case of non-availability/ shortage of margin as per the risk management policy of the Trading member. 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 payin obligation/outstanding debts.

**h) Temporarily suspending or closing a client's account at the client's request:** The client is required to submit written request for closure of account or for temporary suspension of account clearly stating period of suspension at the trading member's registered office. The Client agrees that he would be able to close or freeze the trading account with the Trading member, only if there is no obligation pending to be met by the Client in the favour of the Trading member in the form of cash and / or security. Upon receipt of request and on the client settling dues, if any, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place. On the request of the client in writing, the client account can be closed provided the client account settled. If the client wants to reopen the account, the client has to again complete the KYC requirements.

**i) Deregistering a client:** Notwithstanding anything to the contrary stated in the agreement, the Trading member shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- a. Any proceedings or investigations that involve the Client or his \ her /its properties have been initiated or is ongoing under any law in force.
- b. The client has done any transactions as against the regulations set by SEBI or the Exchanges or any such activity that disturbs the normal functioning of the market.
- c. In the case of partnership firms, if the trading member has not been informed accordingly any change in the partnership deed including the dissolution of partnership.
- d. On the death/lunacy or other physical or psychological disability of the Client.
- e. If the client suffers any adverse change in its financial status or breaches any term, conditions or covenant of any of the Agreements executed by it with the Trading member.
- f. If the Client has made any material misrepresentation of facts, in relation to the transactions that are carried out through the Trading member.

**j) Inactive Client account:** Any client account in which there has been no trading transaction for a consecutive period of six months will be considered as inactive. Any credit available in the client's trading account will be paid out to the client on request. The account can be reactivated based on a written request for the client. At the time of reactivation the client, at the discretion of the Trading member, has to submit the address and income proof.



Signature of the Applicant

Date 

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## ADDITIONAL RIGHTS AND OBLIGATIONS

Whereas the Trading member and Client have entered into Rights and Obligations between Stock Broker/Trading member and Client in accordance with guidelines prescribed by SEBI / Exchanges.

For the purpose of taking additional services from the Trading member and in order to define operating terms and conditions, the Trading member and client are entering into the following additional rights and obligations which are in addition to rights and obligations agreed upon.

The client had read, understood accepted the following additional rights and obligations and as such the following clauses shall be read / treated as part and parcel of the rights and obligations. Any changes to these additional rights and obligations are also binding on the client.

**Agent:** The Trading member is acting as an agent of the Client for all purposes unless the Member notifies the Client electronically or in writing that the Trading member is acting otherwise.

**Trade and Margin Confirmations:** The Trading member shall send trade confirmations to the client, in the form of contract note, contract note-cum-bill or otherwise via mail/ e-mail/ fax/ courier/ Registered AD, ordinary post oral communication / SMS or otherwise at the postal address, mobile / telephone / fax nos., e-mail address intimated by the client to the Trading member. Similarly the Trading member may send margin details to the client via mail/ e-mail/ fax/ courier/ Registered AD, oral communications / SMS, ordinary post or otherwise at the postal address, mobile / telephone / fax nos., e-mail address intimated by the client to the Trading member. The Trading member hereby informs that it will send consolidated trade confirmations to clients trading through Internet only on a day end basis and the client agrees to receive such consolidated trade confirmation on day end basis. The client agrees that the Trading member will not be responsible for the non-receipt of the trade confirmation due to any change in the client's address / e-mail address / telephone / fax / mobile number which is not intimated to the Trading member in writing and / or where the communication remains undelivered due to non availability of the client at the given address / telephone / fax / mobile number or client not opening his \ her e-mail box.

The client hereby authorises the Trading member not to provide him Order Confirmation / Modification / Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. The client is getting the required details from contract notes issued by the Trading member.

**Margins:** The Client shall deposit with the Trading member such sums as may be prescribed by the Trading member from time to time as margin, in addition to the amount needed for monies, and charges required to maintain their account. In addition, the Client shall also provide 100% comfort on mark to market losses, if any, at any given point of time including intra-day adjustments, failing of which , the client shall be prevented from trading.

The Client is liable to pay applicable initial margins, special margins or such other margins as are considered necessary by the Trading member 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 Trading member 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.

The payment of margin by the Client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margin, the Client may, on closing of his \ her trade, be obliged to pay (or entitled to receive) any such further sum as the Contract may dictate / require.

**Mark to Market:** The client at all point of time is bound to maintain 100% comfort on mark to market loss. If at any circumstances, the client's MTM loss is crossing 50% of the net credit available, the trading member shall intimate the

client to reduce the position/s or pay-in towards MTM comfort. When MTM loss crosses 70% of the net credit the trading member reserves the right to reduce the positions to maintain the margin and MTM requirements. There may be occasions, particularly, in the fast moving foreign exchange markets, when a position of a client ends up in loss and may exceed the margin money placed with the member. In that circumstance the trading member is entitled to square off / reduce such position/s. The position/s will be squared off at the next available price. And if the loss exceeds the credit available in the client's account, the difference amount has to be paid by the client.

**Sharing of client information:** The client authorizes the Trading member to share his \ her KYC details and trade related details / information to third parties.

**Breach / Default / Death / Insolvency:** In the event of any breach / default by the Client of any of the terms and conditions of these Additional Rights and Obligations, the Trading member is entitled to adjust any dues including loss or damages caused to the Trading member, against the margin and / or additional margin and / or Contracts and / or any amount standing to the credit of the Client in the books of accounts of the Trading member. The foregoing adjustment is without prejudice and in addition to such legal remedies as are available (under these Additional Rights and Obligations or under any law for the time being in force) to the Trading member against the Client or his \ her legal representatives.

Further the Trading member is also entitled to close-out any transaction in the event of the said breach / default by the Client of any of the terms and conditions of these Additional Rights and Obligations. The time and manner of the closing out is at the absolute discretion of the Trading member and the Trading member is not responsible for any loss thus caused to the Client.

**Proprietary Trading:** The Trading member is currently engaged in Client based business as well as indulges in proprietary trading.



\_\_\_\_\_  
Signature of the Applicant

Date 

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## TARIFF DETAILS

SCHEDULE OF TRADING CHARGES	
Details	Agreed Rates
Account Opening Charge	
Brokerage (per lot)	
Currency Futures	
Currency Options	

### Terms & Conditions

1. The above mentioned charges are exclusive of all statutory and exchange related charges.
2. The broker shall have the discretion in changing the applicable charges.
3. Account opening charges will not be refunded at any circumstances. The broker will have the sole discretion of waiving the charges.
4. If the client is not mentioning the charges during account opening the broker has the discretion to charge the maximum brokerage prescribed by SEBI.
5. In case physical option is chosen for receiving contract notes and related statements, the client will be charged Rs.30/- per despatch.
6. KRA charges as maybe applicable

### DECLARATION

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the trading member and the tariff sheet.
3. I/We further confirm having received the following documents and has read and understood the same.
  - a. Rights & Obligations
  - b. Risk Disclosure Document
  - c. Guidance Note – Do's and Don't s
  - d. Policies and Procedures
  - e. Additional Rights & Obligations



Signature of the Applicant

Date 

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## RUNNING ACCOUNT AUTHORIZATION

To  
G.A..Vasant(Future)  
308,Navin House,  
Thambu Chetty Street,  
Chennai - 600001

Sir,

Sub: Running account authorization – Reg.

I am dealing through you as a client in Currency Derivatives segment of MCX-SX & in order to facilitate ease of operations (as debit or credit will be fluctuating on a day to day basis in my trading account) and to meet the upfront requirement of margin for trade:

I authorise you as under:

1. I request you to maintain running balance in my trading account & retain the credit balance (accruing either by way of payments made by me or by way of any credit that is due to me on account of the transactions under taken by me through my trading account) and to use the unused funds towards my margin/pay-in/other future obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing corporation unless I instruct you otherwise.

2. I request you to settle my fund and securities account

Once in every calendar Quarter      or       Once in a calendar month

Or such other higher period as allowed by SEBI/ Exchange (s) time to time.

3. In case I have an outstanding obligation on the settlement date, you may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet my settlement/ margin obligations on the settlement date and for next 5 trading days, calculated in the manner specified by the exchanges from time to time.

4. I confirm you that I will bring to your notice any dispute arising from the statement of account or settlement so made in writing within 7 working days from the date of receipt of funds/securities or statement of account or statement related to it, as the case may be at your registered office and to any other office that has been indicated in the notice for communication in the Member – Client Agreement. I shall have no right to dispute the transaction, funds and/or securities ever and agree that you shall not be liable for any incidental loss/damage caused due to retention of funds and/or securities upon such non – receipt disputes within the prescribed time.

5. I confirm you that I can revoke the above mentioned authority at any time.

6. I confirm that we would like to receive all documents including the statement of account (funds) and statement of securities that have to be furnished to me at the contact address/ e-mail id furnished by me.



\_\_\_\_\_  
Signature of the Applicant

Date 

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## ELECTRONIC CONTRACT NOTE - DECLARATION

I, \_\_\_\_\_ a client of G.A.Vasant(Future) operating under the client code \_\_\_\_\_ in Currency Derivatives segment of MCX-SX authorises as below:

As I find it inconvenient to receive physical contract note, I am voluntarily requesting for the delivery of electronic contract note pertaining to all the trades carried out in my trading account. My mail id is \_\_\_\_\_ and it has been created by me and not by any other entity.

I hereby agree that any change in the e-mail id shall be communicated by me to the trading member by mode of a physical letter.

The same shall apply to other documents like daily margin statement and Statement of Accounts and I request the trading member to deliver the same to me in softcopy to my mail id mentioned above.



\_\_\_\_\_  
Signature of the Applicant

Date 

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## DECLARATION FOR MOBILE NUMBER

Below mentioned are my mobile and landline no's

	Mobile / Landline Number	Ownership (Own / Spouse / Family Member)
1		
2		

I agree to receive all communications from time to time various information / alerts / SMS / calls /Advice/research calls/other messages or calls or commercial communication, which may be promotional in nature relating to various financial products and other services on the aforesaid listed telephone numbers, whether these numbers are registered with National Do Not Call Registry / listed in National Customer Preference Register or not. I hereby agree that I will not hold G.A.Vasant(Future) responsible on account of "Do Not Disturb" feature being activated on any of the above telephone numbers or for any reason whatsoever related thereto, under TRAI regulations. I am aware that in case of change in my mobile number anytime after opening of this account, it is mandatory for me to inform the trading member to make the necessary updation in their database for which I shall send a physical request along with the proof of the new mobile no:



\_\_\_\_\_  
Signature of the Applicant

Date 

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**LETTER OF AUTHORISATION**

To

G.A.Vasant (Future)  
308, Navin House,  
Thambu Chetty Street  
Chennai – 600001.

Sub. : Letter of Authorisation - Reg.

1. I am desirous of trading in Currency Derivatives segment of MCX-SX and for this purpose I have opened a trading account with G.A.Vasant(Future) and a trading account no: \_\_\_\_\_ has been allotted to me.
2. Due to other pre-occupations I am unable to personally trade / invest / place orders / sign contract notes etc. in relation to trading.
3. Mr....., S/o., D/o. W/o,..... resident of..... is my ..... and as such I have full faith and confidence in him and desire to appoint him as my Authorized Representative (AR) in relation to trading through the above referred trading account no: .....

And I hereby agree to ratify and confirm all and whatsoever my said AR shall lawfully do by virtue of this letter.



\_\_\_\_\_  
Signature of the Applicant

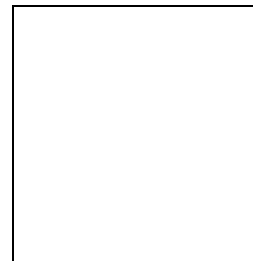
Date 

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Signature of Authorised Representative: .....

Mobile no: .....

E-mail id: .....



Photograph of AR

Attestation of AR signature by client: .....