

# Other Mandatory Client Documents

## Most Important Terms and Conditions (MITC)

**Date:**

(For non-custodial settled trading accounts)

1. Your trading account has a "Unique Client Code" (UCC), different from your demat account number. Do not allow anyone (including your own stock broker, their representatives and dealers) to trade in your trading account on their own without taking specific instruction from you for your trades. Do not share your internet/mobile trading login credentials with anyone else.
2. You are required to place collaterals as margins with the stock broker before you trade. The collateral can either be in the form of funds transfer into specified stock broker bank accounts or margin pledge of securities from your demat account. The bank accounts are listed on the stock broker website. Please do not transfer funds into any other account. The stock broker is not permitted to accept any cash from you.
3. The stock broker's Risk Management Policy provides details about how the trading limits will be given to you, and the tariff sheet provides the charges that the stock broker will levy on you.
4. All securities purchased by you will be transferred to your demat account within one working day of the payout. In case of securities purchased but not fully paid by you, the transfer of the same may be subject to limited period pledge i.e. seven trading days after the pay-out (CUSPA pledge) created in favor of the stock broker. You can view your demat account balances directly at the website of the Depositories after creating a login.
5. The stock broker is obligated to deposit all funds received from you with any of the Clearing Corporations duly allocated in your name. The stock broker is further mandated to return excess funds as per applicable norms to you at the time of quarterly/ monthly settlement. You can view the amounts allocated to you directly at the website of the Clearing Corporation(s).
6. You will get a contract note from the stock broker within 24 hours of the trade.
7. You may give a one-time Demat Debit and Pledge Instruction (DDPI) authority to your stock broker for limited access to your demat account, including transferring securities, which are sold in your account for pay-in.
8. The stock broker is expected to know your financial status and monitor your accounts accordingly. Do share all financial information (e.g. income, networth, etc.) with the stock broker as and when requested for. Kindly also keep your email Id and mobile phone details with the stock broker always updated.
9. In case of disputes with the stock broker, you can raise a grievance on the dedicated investor grievance ID of the stock broker. You can also approach the stock exchanges and/or SEBI directly.
10. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. You will not have any protection/recourse from SEBI/stock exchanges for participation in such schemes.

**UCC:** \_\_\_\_\_

**BO ID:** \_\_\_\_\_

| Name(s) of holder(s)                           |  | Signature(s) of holder |
|--|--|------------------------|
| <b>Sole / First Holder</b><br><b>(Mr./Ms.)</b> |  |                        |
| <b>Second Holder</b><br><b>(Mr./Ms.)</b>       |  |                        |
| <b>Third Holder</b><br><b>(Mr./Ms.)</b>        |  |                        |



**INVESTMENTZ** .COM  
INVESTOR FIRST

BY ASIT C. MEHTA INVESTMENT INTERMEDIATES LTD.

## **RIGHTS AND OBLIGATIONS OF STOCK 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, 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 liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.

### **CLIENT INFORMATION**

6. 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.
7. 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.
8. 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.
9. The stock 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.

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## **MARGINS**

10. 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.
11. 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**

12. 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.
13. 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.
14. 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.
15. 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).
16. 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.

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## **BROKERAGE**

17. 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 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**

18. 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.
19. 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.
20. 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**

21. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
22. 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.
23. 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

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the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

24. 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.
25. 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**

26. 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.
27. The stock 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.

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

28. 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.
29. 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.
30. 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.
31. 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

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- subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
32. 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.
  33. 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.
  34. 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.
  35. 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)**

36. 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.
37. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
38. 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.
39. 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

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- times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
40. 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.
  41. 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**

42. In addition to the specific rights set out in this document, the stock 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.
43. 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.
44. 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.
45. 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.
46. 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.
47. 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.

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

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## **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.

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- 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.

- 1.4.1A "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

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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.

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. 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.
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.
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.
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:**

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

**2.3 Risk of Option holders:**

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.

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

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

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

#### **4. GENERAL**

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

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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.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 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 Stockexchange.
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.

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

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

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

#### **DISPUTES/ COMPLAINTS**

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

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## RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI AND DEPOSITORIES

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### 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 " for opening of demat accounts" no charges are payable.
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.

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13. 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.

#### **Statement of account**

14. 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.
15. 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 sending the transaction statement as and when there is a transaction in the account.
16. 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.
17. 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**

18. 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.
19. 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**

20. 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.
21. 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**

22. 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**

23. 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.
24. 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**

25. 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**

26. 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.

**Law and Jurisdiction**

27. 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.
28. 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.
29. 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.
30. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
31. 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.
32. 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.

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## Depository Charges for the Calendar year 2025 (One year plan) & 2025-2029 (Five year plan)

For Active Clients: (All prices are excluding taxes as may be applicable)

Table 1

| Plan                    | One Year Base Rate (Rs.) | Transaction Charges Beyond Free Transactions (Rs.)* | Free Transactions Per Annum | 5 Years Base Rate (Rs.) | Transaction Charges Beyond Free Transactions (Rs.)** | Free Transactions Per Annum |
|-------------------------|--------------------------|---|-----------------------------|-------------------------|--|-----------------------------|
| Invest New              | 480                      | 30  | 6                           | 1950                    | 20   | 6                           |
| Invest Wise             | 750                      | 25  | 10                          | 2950                    | 20   | 10                          |
| Invest Lite             | 1000                     | 20  | 15                          | 3950                    | 20   | 15                          |
| Invest Pro              | 1500                     | 15  | 20                          | 5950                    | 20   | 20                          |
| Corporate & NRI Clients | 1500                     | 15  | 0                           | 0                       | 0  | 0                           |

- Other charges are produced below for information.
- If Client holds only single demat account for iBasket than First Year No AMC, 2<sup>nd</sup> year & onwards Rs.250/-P.A. will be charged & BSDA rules will apply.
- In case client holds only Mutual Fund units than he will not be charged any AMC charges.
- Notes \* and \*\* : Please see Table 3 below and Entries against Transaction Charges (Buy Side) or (Sell Side) Refer to those Transactions resulting in delivery.

Table 2 BSDA Charges as per SEBI Circular

| Value of Holdings in the Demat Account (Debt as well as other than debt securities combined) | Maximum Annual Maintenance Charges    |
|--|---------------------------------------|
| Up to ₹ 4 lakhs  | NIL                                   |
| More than ₹ 4 lakhs but up to ₹ 10 lakhs   | ₹100                                  |
| More than ₹ 10lakhs  | Not a BSDA. Regular AMC may be levied |

- BSDA Plan will be charged Rs.30 per Transaction and AMC NIL.

### Eligibility for BSDA:

- The individual has or proposes to have only one demat account where he/she is the sole or first holder.
- The individual shall have only one BSDA in his/her name across all depositories.
- Value of Securities held in the demat account shall not exceed Rs. 10 Lakhs for debt and other than debt securities combined at any point of time.



**Table 3**

| Heading   | One Year Plan Transaction Charges | 5 Year Plan Transaction Charge<br>Subject to review every year |
|---|-----------------------------------|--|
| Demat Processing                                      | Rs. 50/- per certificate          | NIL  |
| Remat Processing                                      | NIL                               | NIL  |
| Pledge  | Rs. 30/- per scrip                | NIL  |
| Unpledge  | Rs. 30/- per scrip                | NIL  |
| Transaction charges (buy side delivery)               | NIL                               | NIL  |
| Transaction charges (sale side delivery)              | As above*                         | As above*  |
| Transaction charges-Off market and Inter DP transfers | Rs. 50/- Per Scrip                | NIL  |
| Transmission charges                                  | NIL                               | NIL  |
| Modification  | Rs. 60/- Per request              | NIL  |
| Activation  | NIL                               | NIL  |
| Unfreezing of Account                                 | Rs. 250/- Per request             | NIL  |

### Important Points:

1. Customers who are Inactive and have NIL holding except BSDA will be charged RS. 250/- as depository charges. All the New demat accounts will be on default plan namely "Invest" with annual charge of Rs.250.00 + GST charges. Every transaction as described in Table 3 above, including buy and sale transactions, will be charged therein at Rs 50 plus GST or as in the Table 3, whichever is higher. Please be advised to complete the account closure process to stop further levy of DP charges
2. Please ensure to have your correct email address and mobile number updated in our system at all time to enable sharing vital communication
3. You may opt for the change of tariff plan (Active clients) by logging in to our website. This window is open to you upto 25th January, 2025. In event of non-selection of any plan by customer, we will continue with last year plan with new rates. If no plan was selected then minimum plan of RS. 480/- for non BSDA will be selected. In case, Client want to opt of BSDA facility for Demat. he/she has to send email through registered email.
4. Client may shift from annual plan to five year plan by paying full amount irrespective of the residual period till January 2025. No pro rata charges will be allowed.



5. The clients who were under AUM based plans will be shifted to annual plan Invest Pro with a yearly charge of Rs. 1500/-.
6. AUM plan is applicable to those customers who have Demat Holding exceeding Rs. 25 Lakhs and have been inactive since January 2023. Clients who have not done any transactions in any of the products like MF, Equity, Derivatives, Gold Bonds, Currencies or Govt. Securities during this calendar year since 2023 till December 31 and had DP balance of Rs 25 Lacs as of the cutoff date of December 31, 2023 will be covered under AUM plan.
7. All annual and five year plans are non-refundable.
8. Under each of the choices, the Annual Maintenance Charges are for 1 or 5 years as the case may be. All transaction charges in Table 3 are for one year only and subject to change based on the charging environment.
9. Taxes at actuals will be charges extra. Currently GST@18% will be charged.
10. In event of non-payment of DP Tariff Charges / other DP charges, ACMIIL will freeze / suspend the demat account and settlement / debit instructions will not be processed for demat account. The unfreezing of the account will invite a restoration fee of Rs. 250/- plus applicable taxes.
11. ACMIIL reserves the right to revise the DP tariff slabs and other charges by displaying the same on web site [www.investmentz.com](http://www.investmentz.com). In such an event, it will be done from prospective effect only.
12. As per CDSL communiqué reference number CDSL/OPS/DP/POLCY/2020/8 dated January 3, 2020, in case of off-market transfers, applicable stamp duty will be levied on the transferor before executing the same in the depository system.
13. We request clients to clear old dues also which are displayed on Tariff Plan Selection Link. We will be at liberty to share the information about the dues and non-paying clients with appropriate data reporting and sharing platforms as well as be free to issue public notices on media like newspapers and websites.

**Deena Mehta**  
Managing Director

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Research Analyst: INH000016940 | PMS: INP000005801 | PFRDA: POP 21092018  
MF Distributor-ARN 3086

# Policy Documents

## Guidelines for Dealing

You have executed various documents with us, which includes:

### Know Your Client Form (KYC):

1. The Account will be in the name indicated in the KYC Form and the Statement of Accounts, contract cum bill will be issued only in this name.
2. Payments will be made only to the bank account indicated in the KYC Form and full details about the bank account will be mentioned on the cheque.
3. You should indicate any change in the information supplied by you in the KYC Form by submitting the account modification form along with valid proof of such changes.
4. Receipt of shares will be only from the DP account indicated in this form. If the shares are delivered from a different DP account then your shares may be auctioned, unless the shares are received within stipulated time in ACMIL's pool account by way of off-market transfer .
5. Our delivery will be only to the account stated by you and our CDSL DP account will be treated as default delivery account. If you have more than one account in your name, give details and proofs of all the accounts.

### Rights and Obligations Documents:

You have received, read and understood the rights and obligations pertaining to Stock market and depository operations of the company. These documents contain the rights and obligations of ACMIL as a Stock broker and a Depository Participant, the Client (Beneficial Owner) and the Authorised Person: a)

### Risk Disclosure Document:

This document lists the various risks associated with dealing in equity markets. The Client is advised to read this Risk Disclosure Document carefully and in detail. Specific attention is invited , but not limited to the following:

1. Market Investments are subject to risks such as volatility, lower liquidity, wider spreads etc.
2. News Announcements have an impact on share prices. These may be through formal channels such as the company, exchange or news media or through rumors.
3. Technology risk is a major risk that should be understood since there is lot of reliance on technology. Network congestion could lead to inability of our systems in executing the trades. We will not compensate loss of money or opportunity arising out of such failures. While every attempt is made to keep the systems up and running, at times the situation is beyond our control due to the complexity of the components involved in the network.
4. In case of derivative including currency derivative you are exposed to the Effect of Leverage or Gearing, Risk of option holders, Risks of option writers, Currency volatility etc
5. The general section includes the rights and obligations of investors towards receipt and payment of shares and money. It is also important to note that in event of any dissatisfaction a formal complaint should be filed with the broker to safeguard your legal interest.

## Guidance Note – Do's and Don'ts for Trading on the Exchange(s) for Investors

You have received, read and understood the documents relating to Do's and Don'ts for trading on the Exchange (s) which list down the care to be taken by investors before they begin to trade, when their trading account is active and thereafter

### Running Account Authority Letter:

You are aware that the transaction confirmations, contracts/bills, etc. would be processed Exchange wise, Segment wise. However, for ease of fund movement, you have requested ACMIIL to maintain a single financial account on running account basis in the books of ACMIIL for both exchanges. Kindly note that this running account authority is valid until you revoke the same in writing. Further note that you have authorized us to retain Rs.10,000/- (net amount across segments and across stock exchanges) as permitted by Exchanges while settling your account.

## Important Policies and Procedures

### Placing of Order:

Orders should be placed with our local representative's office. Please take the following precautions while placing the order:

1. Orders can be placed only in your name and against the trading account code allotted to you.
2. Do not trade in name of any other person such as ACMIIL's associate or his relatives. ACMIIL will not be responsible for trades that are not done in such r accounts.
3. Please indicate clearly the scrip name, quantities, rates, expiry month etc. of the transactions that you wish to execute.
4. In event there are multiple names having a few common names then please take extra precaution in giving the full name of the scrip.
5. Check if the scrip is in Trade-to-Trade Segment. In this segment no square off is possible during the day and you have to deliver what you have sold and will have to pay for and receive for your purchases.
6. The stock exchange has put many shares in Z group because these companies are not complying with their obligations to investors. Exercise extra caution in dealing with Z group shares.
7. Exercise caution while dealing in illiquid scrips. The Exchanges may ask you for justification for dealing in such scrips.
8. ACMIIL follows the VAR based limit as available in the Exchange whereby scrips which are highly volatile and risky requires 100% margin. ACMIIL generally does not refuse orders for penny stocks. However, at times, based on market conditions and volatility in particular scrip as well as in exceptional circumstances, ACMIIL may refuse an order for any stock (including those considered as penny stocks). It is advisable not to deal in penny stock as it contains higher risk.
9. In case of Derivatives (including currency derivatives) trades please understand the working of the derivatives market especially frequent changes in margins during the period of open positions. You may have to pay higher margins on same positions if there is increase in volatility in the scrip.

**Order Confirmation / Contracts:**

1. Please obtain oral order confirmation from ACMIL's local representative's office immediately on placing the order. Written/sms confirmation is available every day in the evening for all the orders that were placed during the day.
2. ACMIL Head office arranges to dispatch contracts within 24 hours of the trades. There could be delay in receipt by you due to delivery / courier delays.
3. Wherever you give consent for E-Contract along with your email ID, contract will be directly sent to respective email ID on same day of trading.
4. The contracts contain time stamp of the execution of the order on the trading system. Trade ID generated from the stock exchange system is also printed on the contract.
5. You can check the authenticity of the contract by logging onto BSE or NSE website (i.e., on [www.bseindia.com](http://www.bseindia.com) or [www.nseindia.com](http://www.nseindia.com))
6. The contract is a legal document. Please preserve it for Income Tax purpose and for future references (if any).
7. No separate bill will be issued to make payment. The document given to you is contract cum bill.
8. ACMIL will not be responsible for trades that are not done through it or contracts that do not have the statutory information about the time and identity of the trades.

**Risk Management:**

ACMIL has a unique system to monitor risk at the client level and not just at the branch level. This system has been introduced for your safety. It should not so happen that a handful of clients overtrade and defaults on their commitments and honest clients are not paid for their dues. ACMIL has the following system:

1. In case of trading accounts, the limits are given based on Ledger balance and DP stock with ACMIL. The Trading multiples differs from client to client based on the Grading and other parameter
2. Initial margin deposit is mandatory for trading in cash, derivatives and currency derivatives segment.
3. Limits/Gradings can be upgraded on handing over additional margin / deposit through ACMIL's local representative's office.
4. In event you have not cleared previous debits on account of shares purchase or mark to market loss, our system will block the limit for next trading day.
5. Margin may be given in the form of funds and shares. We separately maintain Margin accounts for shares and funds, special instructions have to be given to us to release the shares from the margin account.
6. You will be graded based on positive and negative parameters. Exposure limit is provided to you based on the funds and security balance available with ACMIL. Multiple exposures are set based on your Grading and other parameters. The exposures are blocked based on VAR and ELM margins as stipulated by the Exchange. For detailed information in respect of the same, please contact our Customer Service Helpdesk.
7. ACMIL may add extra margin for a particular scrip or for all scrips when the particular scrip or market as a whole witnesses high volatility.
8. ACMIL will close the Client's account (i) on receipt of account closure request from the Client, (ii) if the Client is not traceable, (iii) if the Client fails to fulfill his obligations, (iv) if the Client indulges in unfair trade practices, (v) on ACMIL's presumption that the Client is risky for the overall well being of the systems in place, (vi) any direction from SEBI/Exchange or such other authorities, (vii) such other circumstances as ACMIL might think just and proper.

9. A Client may be suspended (i) on receipt of Client's prior written request, (ii) on continuous default by the Client in meeting his obligations, (iii) under any circumstances mentioned in the clause 8 above.
10. ACMIIL has also introduced the auto collateral margin for the shortages in future and option segment to be debited in clients demat account. ACMIIL will take standing instruction one time to debit the clients demat account for debiting approved securities towards Margin shortage.

### **Brokerage Rates:**

The brokerage is charged on the intraday / squared-off transaction and delivery transaction, separately. These rates are indicated in the Welcome Letter sent to you along with your login ID and Password for viewing your reports/placing orders through our website.

Statutory charges include stamp duty, as per rates applicable. We pay stamp duty as per the deadline prescribed by authority. Service Tax is deducted as per service tax rules. Transaction charges are the fees charged by stock exchanges. These rates vary as per the instructions of collecting authority.

### **Settlement of Money:**

1. All payments should be in the name of Asit C Mehta Investment Intermediates Ltd. and by cross cheque only or should be made in ACMIIL's designated bank account by electronic funds transfer from your designated bank account only. ACMIIL will not be responsible for cheques that are written in any other name and delivered to ACMIIL's associates.
2. Do not pay cash to ACMIIL's associates or any other person for the contracts entered into by ACMIIL.
3. Cheques should be given only against the contracts executed in your name. ACMIIL will not be responsible for cheques issued in ACMIIL's favor but against dues of some other client / client code.
4. ACMIIL will issue cheques/transfer funds for amounts due to you only in favor of account name and account number indicated in the Registration Kit given by you.
5. We have the facility of directly crediting your bank account through National Electronic Fund Transfer (NEFT) whereby your bank account is credited with the fund in a day's time after we issue a pay out. For NEFT transfer your bank account need to be under core banking solution (CBS) network and should have IFSC Code. If your bank account does not have IFSC Code then at par cheque will be issued to you and payable at your location.
6. Several investors want to reinvest funds and due to time taken for transfer of funds to and from they prefer to take the payout cheques on request only. Therefore ACMIIL have assigned systems, which has a request from the investor as a starting point for making payments. If you desire to pay and receive contract wise please inform ACMIIL's local representatives / Website (on line customers) about such request. Payouts will not be done automatically unless the credit balances are in our books for sufficiently period of time. Cheques and drafts issued by ACMIIL will be payable at the location where the client is registered with ACMIIL. If a client is mapped with Jagdishpur and he is having his bank in Lucknow, the payment released by ACMIIL will be payable Jagdishpur and not payable Lucknow. If you wish to be paid at Lucknow then it is desirable to have an account with a bank that provides online banking.
7. All requests received by us by 8.30 a.m. are processed for payment by ACMIIL by 2.30 pm on the same day.
8. ACMIIL has an automated program that checks the net receivable for each client and give necessary instructions to the bank as registered by ACMIIL in the Registration Kit.

9. Do not give instructions to pay in any account which is not mentioned in the KYC form / Registration Kit. ACMIIL will only honor one instruction at a time. If there are any changes in your bank name/details, please write to ACMIIL about the same with relevant valid proofs. It will take at least 48 hours to make the changes.
10. In event you do not pay for outstanding obligation/debit within a specified time frame and then ACMIIL is at liberty to sell off your share to recover the dues.
11. ACMIIL has a system to sell securities on failure to clear the Fund obligation / margin shortage by you. ACMIIL intimates the shortage of margin and Fund obligation by SMS on your registered mobile number and on website [www.investmentz.com](http://www.investmentz.com). We will levy late payment charge 18% p.a., in case the debit balances are not settled by crediting the payment within 2 trading days for cash segment and 1 trading day for derivative segment. This will be irrespective of shares sold in auto square off. ACMIIL also charge flat 1% + Service Tax, on all cheque bounced or wrongly reported to it.

### **Settlement of Shares:**

1. We have created a stock ledger that keeps a track of all deliveries given and received from your DP ID. If any stocks are delivered excess by you, the same are credited to your account and returned back to you.
2. Auto Pay In facility is available to you if you give us a power of attorney to deliver shares on your behalf. ACMIIL has an automated program that checks your pay in obligation and picks the shares from your account for delivery to the market. This frees you from the hassle of making & giving delivery slips daily for transfer to our pool account. However, this facility will be available only to the Default DP Account holder and if the Client sells from other DP, he has to give DIS latest by T+1 day.
3. In event you have CDSL account with us and have given ACMIIL Power of Attorney to deliver on your behalf, and then ACMIIL will do the pay in.
4. In case you do not have CDSL account with ACMIIL, then you have to deliver the shares in ACMIIL's pool account only. Do not give delivery in any account other than ACMIIL's pool account.
5. Do not give blank transfer instructions slip to ACMIIL's associate's office. They could be liable for misuse and ACMIIL will not be responsible for such misuse.
6. ACMIIL will not accept delivery from any account other than the account number indicated by you in the Registration Kit. If you give shares from any other account, then your shares will get auctioned despite giving delivery to ACMIIL since ACMIIL's system rejects such deliveries received from other accounts. If you have more than one DP account in your name then please give all the numbers and proofs of your accounts at the time of doing Registration itself.
7. Shares that are received by ACMIIL from account other than those that are part of ACMIIL's master are returned back to the same DP ID from which they are received by ACMIIL.
8. Deliveries are made twice a day to all the clients based on the status of their financial accounts. If the account is in debit then the last settlement shares are not released.
9. Please read the accounts reports section to get full information on shares delivered and received by you.
10. Shares on Hold: In event you do not pay on time, i.e., clear funds are not available to us before pay in, then we move your stocks to a separate account and accordingly these shares are kept on hold. We also have to move the stocks to a separate account if you sell off the stock in subsequent settlement. No notice for recovery of dues is necessary in the event you do not pay for the same.

11. The benefits of shares on hold are that (i) dividend and bonus is credited to the account of the beneficiary whose shares are on hold, (ii) the dividend is credited every Saturday following the date on which it was due, (iii) ACMIIL does not wait for receipt of the same from the company, (iv) All amounts that are less than Rs. 5,000 are credited to your account on weekly basis. This is a service provided by ACMIIL to the investors. In case of bonus ACMIIL will have to wait for the receipt of shares from the company and then only they are credited.

#### **Close Out Procedure:**

The stock exchange settles the trades done by the brokers at the net exchange level and not gross client level. Hence it is our responsibility to settle the deliveries between our clients. Shares which are delivered short by the clients and which have to go to the exchange are auctioned by the exchange. But shares that are delivered short internally are settled in the following manner:

1. If a client "A" has failed to deliver to client "B" in settlement "X" then we purchase short delivery from the market on the day following the settlement of "X" trades.
2. These shares are purchased in the name of client "B", the recipient of shares.
3. The price at which the shares are purchased is taken as a base and 4% is added to the same. This price is used for the purpose of closing out the trade in Settlement "X".
4. The buyer always gets a profit of 2-3% after removing the transaction charges.
5. 4% profit to buyer has been decided based on the statistical analysis of rates at which auctions take place in the markets.
6. In case there is upper circuit on the shares to be purchased, then the same will be purchased only after the day the circuit is removed and there is free trading on shares.
7. There are requests received from the investors either to purchase or not to purchase the shares that are received short. It is our duty to deliver and the system adopted by us ensures delivery. Since the entire procedure is system driven it is not possible to adhere to individual requests.
8. It also helps us to keep an audit trail of trades and deliveries.

#### **IST Procedure:**

This is a facility provided by us for you to adjust your deliveries, which are yet to be received from the market. It is again an automated procedure that adjusts the sales against purchases made during the last two days. Please note that Inter Settlement Transfer (IST) may not always happen since deliveries may not be received against your purchases. The transaction could be under auction / close out. You would run the risk of auction if you sell before T+3 day of purchase or actual receipt of the delivery. The law requires that you should deliver the shares on T+1 day of your transaction. Currently the charge on IST transaction is Rs. 12/- (inclusive of service tax). These charges are subject to change from time to time.

#### **Account Information:**

We have provided you a 24 X 7 access to our back office systems to get all the information related to your dealing with us. Please obtain a password from our office to access the systems. The first password is included in the enclosed mail. Please put a new password in order to maintain confidentiality. Our advice is to change the password every 15 days to prevent misuse.



**Management:**

Designated Directors : Mrs. Deena A. Mehta & Mr. Arjun  
Prajapati

**SEBI / Regulatory Registration nos**

- BSE / NSE/ Single Regn No. : INZ000186336
- DP Reg: IN-DP-685-2022
- DP ID -CDSL12013200
- Research Analyst: INH000016940
- PMS: INP000005801
- PFRDA : POP21092018
- MF Distributor - ARN3086

**Membership:**

NSE: Cash, Derivatives, Debt & Currency Derivatives

BSE: Cash & Derivatives Currency

SEBI: Research Analyst/PMS

CDSL: Depository Participant

**Principal Banker:**

State Bank of India

**Call and Trade No.:**

022-2858 4444 / 022-6787 8987

**Customer Service No.:**

022-2858 4545 / 022-6787 8988

**Asit C. Mehta**  
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