

Guidelines for Dealing

You have executed various documents with us, which includes:

Know Your Client Form:

1. The Account will be in the name indicated in the KYC Form and the Statement of Account, 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 proof of 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 will be auctioned. Delivery may be allowed from the account of your spouse and not any other relative. For this purpose, a separate DIS needs to be executed for transfer of shares from the spouse's account to the Default DP holder's account. In the absence of such DIS, pay-in of such shares shall not be effected. Authority of the spouse should be given to us at the time of opening the account and the DP ID of the spouse should also be indicated.
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.

Member - Client Agreements for BSE and NSE:

You have signed an agreement with ACMIIL for dealing in BSE and NSE cash and derivative segment as the case may be.. If you are dealing through a sub-broker then he is also made a party to the agreement. Please note that this is a service agreement only and in event of dispute, contract copies are necessary to prove your claims. The essential clauses include the following:

- a. You have understood the various risks associated with dealing in share markets.
- b. You agree to deliver the shares to us latest one day prior to the pay in date, which is T+1.
- c. You are liable to pay the margins as demanded by the broker and it may be higher than the exchange stipulated margins.
- d. The contract entered into cannot be made void or voidable as a result of loss arising due to various risks listed in the Risk Disclosure document.

- e. The broker undertakes to keep the shares and money received from the client in a separate account and not to charge brokerage in excess of statutory limit of 2.5%.

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 to the following:

1. Equity 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 complain should be filed with the broker to safeguard your legal interest.

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 request us to maintain a single financial account on running account basis in the books of ACMIIL for both exchanges and both the segments. Kindly note that you need to renew this authority every year.

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 our associate or his relatives. ACMIIL will not be responsible for trades that are not done in your account.
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. ACMIIL follows the VAR based limit as available in the Exchange whereby scripts which are highly volatile and risky requires 100% margin. ACMIIL generally do 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.
8. In case of 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 ACMIIL's local representative's office immediately on placing the order. Written confirmation is available every day in the evening for all the orders that were placed during the day.
2. Our 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 or 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. ACMIIL will not be responsible for trades that are not done on the floor of the exchange or contract that do not have the statutory information about the time and identity of the trades.

Risk Management:

ACMIIL have 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 over-trade and defaults on their commitments and honest clients are not paid for their dues. ACMIIL has the following system:

1. In case of trading accounts, the limits are given based on Ledger balance and DP stock with ACMIIL. The Trading multiples differs from client to client based on the Grading.
2. Initial margin deposit is mandatory for trading in cash, derivative and currency derivative segment.
3. Limit can be upgraded on handing over additional margin / deposit through ACMIIL'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. Ratio of shares to funds is based on cash margin available in ledger. 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 ACMIIL. Multiple exposures are set based on the your Grading. 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. ACMIIL 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. ACMIIL 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 ACMIIL'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 ACMIIL 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 above.

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, which is currently at 0.002% on square off/ intra day trades and 0.01 % on delivery trades. These are rates applicable in the State of Maharashtra. We pay stamp duty in Maharashtra. 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 Intermmediates Ltd. and by cross cheque 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's office.
3. Cheques should be given only against the contracts executed in your name. We 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 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 long 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 1.30 pm on the same day.

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, please write to ACMIIL about the same with relevant 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. Normally, ACMIIL will not resort to charging penalty / interest to Clients. However, ACMIIL reserves the right to charge the same @ 21% p.a. in case there is a continuous default in payment obligations. ACMIIL's system also reserves the right to square off the shares on hold to the extent of dues after payout.

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 have 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, then ACMIIL will do the pay in.
4. In case you do not a 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. If you wish to deliver from your spouse's account then please give the name and number in Registration Kit itself with an authorization from your spouse to use the shares for your obligations. However ensure you give DIS at the time of sale for us to carry out payin.
8. 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.

9. 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.
10. Please read the accounts reports section to get full information on shares delivered and received by you.
11. 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.
12. 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 do 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. 20/- plus applicable taxes. 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.

