



**pardiwala**  
securities pvt. ltd.

**CLIENT REGISTRATION APPLICATION FORM**

Client Code : \_\_\_\_\_

Client Name : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PARDIWALA SECURITIES PVT. LTD.**

**MEMBER : THE STOCK EXCHANGE MUMBAI**

SEBI Reg. No.: INB011415131

**CIN No. U67190MH2010PTC204022**

Examiner Press Bldg, 4A - Gr Floor, Dalal Street, Fort, Mumbai 400 001. India

Direct Line 91 22 22651196 / 22652692 / 22615168 / 22655829

Email : rahul@rkpspl.com • Website : www.rkpspl.com

Annexure - 1  
**ACCOUNT OPENING KIT**  
**INDEX OF DOCUMENTS**

Sr. No.	Name of the Document	Brief Significance of the Document	Page No.
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES</b>			
1.	Account Opening Form	A KYC form - Document captures the basic information about the constituent and an instruction / check list.	1-7
		B. Document captures the additional information about the constituent relevant to trading account and an instruction / check list.	8-11
2.	Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet / wireless technology based trading).	12-17
3.	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market	18-21
4.	Guidance note	Document detailing do's and don'ts for trading on exchange for the education of the investors.	22-23
5.	Proprietary Trading	Disclosure of Proprietary Trading	24
6.	Policies and Procedures	Document describing significant policies and procedures of Pardiwala Securities Pvt. Ltd.	25-26
7.	Tariff Sheet	Document detailing the rate/amount of brokerage and other charged levied on the client for trading on the Bombay Stock exchange(s)	27

**MANDATORY DOCUMENTS AS PROVIDED BY THE STOCK BROKER**

8.	Intimation of Money Laundering	This Document is to make the client aware of Anti Money Laundering (AML) provisions.	28
9.	Consolidated Letter of Authority	Letter from the client authority of Pardiwala Securities Pvt. Ltd. To have Running Account for funds and waiving certain requirements.	29-30
10.	Consent Letter for Electronic Contract Note (ECN)	Consent letter by the Client to receive daily contract notes as well as periodic other statutory documents in electronic medium (email)	31

<b>Name of stock broker :</b>	<b>Pardiwala Securities Private Ltd.</b>
<b>SEBI Registration No. and date :</b>	INB011415131 18-10-2010
<b>Registered office address :</b>	Examiner Press Bldg,4A - Gr Floor, Dalal Street, Fort , Mumbai 400 001. India Ph.: 91 22 2265 1196, 2265 2692, 2261 5168, 2265 5829 Website : www.rkpspl.com
<b>Correspondence office address : Compliance officer name, Phone No. &amp; Email</b>	Examiner Press Bldg,4A - Gr Floor, Dalal Street, Fort , Mumbai 400 001. India Rahul R. Pardiwala 91-22-2261 5168, 2265 1196 rahul@rkpspl.com
<b>CEO name, Phone No. &amp; Email</b>	Ramesh K. Pardiwala 91-22-2261 5168, 2265 1196 ramesh@rkpspl.com

For any grievance / dispute please contact Pardiwala Securities Private Ltd at the above address or email id-grievance@rkpspl.com and Phone No. 91-22-22651196. In case not satisfied with the response, please contact the concerned exchange) BSE : is@bseindia.com - and Phone No. 91-22-2272 8097

**Annexure - 2**  
**KNOW YOUR CLIENT(KYC) APPLICATION FORM**

**Manda**

*For Individual*

PHOTOGRAPH

Please affix the recent passport size photograph and sign across

Please fill this form in ENGLISH and in BLOCK LETTERS

<b>A. IDENTITY DETAILS</b>			
1. Name of Applicant :			
2. Father's / Spouse Name :			
3. a. Gender :	<input type="checkbox"/> Male <input type="checkbox"/> Female	b. Marital Status	<input type="checkbox"/> Married <input type="checkbox"/> Single
c. Date of Birth	(dd/mm/yyyy)		
4. a). Nationality :	b). Status : Resident Individual / Non Resident / Foreign National		
5. a). PAN :	b). Unique Identification Number (UID) / Aadhaar, If any :		
6. Specify the proof of Identity submitted :			
<b>B. ADDRESS DETAILS</b>			
1. Address for correspondence :			
City/Town Village :		Pin Code :	
State :		Country :	
2. Contact Details : Tel. (off.)		Tel. (Res.)	
Mobile No.	Fax :	Email id :	
3. Specify the proof of address submitted for correspondence Address :			
4. Permanent Address (if different from above or overseas address, mandatory for non-Resident Applicant :			
City/Town Village :		Pin Code :	
State :		Country :	
5. Specify the proof of address submitted for registered address :			

<p>(.....)</p> <p><b>Signature of the Applicant</b></p>	<p>Date :.....(dd/mm/yyyy)</p>
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**FOR OFFICE USE ONLY**

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

<p>(.....)</p> <p><b>Signature of Authorised Signatory</b></p> <p>Date :.</p>	<p><b>Seal / Stamp of the intermediary</b></p>
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**KNOW YOUR CLIENT(KYC) APPLICATION FORM****For Non - Individuals**

PHOTOGRAPH

Please affix the recent passport size photograph and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS

<b>A. IDENTITY DETAILS</b>			
<b>1. Name of the Applicant :</b>			
<b>2. Date of Incorporation :</b>	(dd/mm/yyyy)	<b>Place of incorporation</b>	
<b>3. Date of commencement of business</b>	(dd/mm/yyyy)		
<b>4. a. PAN :</b>	<b>b. Registered No. (e.g. CIN) :</b>		
<b>5. Status (please tick any one) :</b>			
<input type="checkbox"/> Private Limited Co. <input type="checkbox"/> Public Ltd. Co. <input type="checkbox"/> Body Corporate <input type="checkbox"/> Partnership <input type="checkbox"/> Trust Charities <input type="checkbox"/> NGO's <input type="checkbox"/> FI <input type="checkbox"/> FII <input type="checkbox"/> HUF <input type="checkbox"/> AOP <input type="checkbox"/> Bank <input type="checkbox"/> Government Body <input type="checkbox"/> Non-Government Organization <input type="checkbox"/> Defence Establishment <input type="checkbox"/> BOI <input type="checkbox"/> Society <input type="checkbox"/> LLP <input type="checkbox"/> Others (please specify).....			
<b>B. ADDRESS DETAILS</b>			
<b>1. Address for the correspondence :</b>			
<b>City/Town Village :</b>		<b>Pin Code :</b>	
<b>State :</b>		<b>Country :</b>	
<b>2. Contact Details :</b>		<b>Tel. (off.)</b>	<b>Tel. (Res.)</b>
<b>Mobile No.</b>		<b>Fax :</b>	<b>Email id :</b>
<b>3. Specify the proof of address submitted for correspondence Address :</b>			
<b>4. Registered Address : (if different from above )</b>			
<b>City/Town Village :</b>		<b>Pin Code :</b>	
<b>State :</b>		<b>Country :</b>	
<b>5. Specify the proof of address submitted for registered address :</b>			

• OTHER DETAILS (INDIVIDUAL)

1. Gross Annual Income Details (please specify) : Income Range per annum :  Below 1 Lac  
 1-5 Lac  10-25 Lac  25 Lacs - 1 Crore  > 1 Crore

Net worth as on (date) \_\_\_\_\_ (\_\_\_\_\_) (Net worth should not be older than 1 year)

2. Occupation (Please tick any one and give brief details) Private Sector / Public Sector / Government Service  
/ Business / Professional / Agriculturist / Retired / Housewife / Student Others \_\_\_\_\_

3. Please tick, If applicable : Politically Exposed Person (PEP) / Related to a Politically Exposed Person (PEP)

4. Any other information : \_\_\_\_\_

C. Other Details (NON INDIVIDUAL)

1. Gross Annual Income Details Please tick  Below 1 Lac  1-5 Lac  10-25 Lac  
 25 Lacs - 1 Crore  > 1 Crore

2 Net-worth in ₹ \_\_\_\_\_ an on (date) 

d	d	/	m	m	/	y	y	y	y
---	---	---	---	---	---	---	---	---	---

  
(\*Net worth should not be older than 1 year)

3. Name, PAN, DIN / UID, residential address and photographs of Promoters / Partners / Karta / Trustees/  
whole time directors (Please use the Annexure to fill in the details)

4. Is the entity involved / providing any of the following services  YES  NO  
- For Foreign Exchange / Money Changer Service  YES  NO - Gaming / Gambling / Lottery Service  
(e.g. Casinos, betting syndicates)  YES  NO  
- Money Lending / Pawning  YES  NO

5. Please tick, if applicable, for any of your authorized signatories / Promoters / Partners Karta / Trustees/  
whole time directors :

Politically Exposed Person (PEP)  Related to a Politically Exposed Person (PEP)

6. Any other information : \_\_\_\_\_

**DECLARATION**

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

Place : \_\_\_\_\_

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

⊗

\_\_\_\_\_  
Signature of Client / (all) Authorized Signatory(ies)

## TRADING ACCOUNT RELATED DETAILS

For Individuals &amp; Non-individuals

A. BANK ACCOUNT(S) DETAILS		
Bank Name		
Branch address		
Bank account No.		Account Type : Saving / Current / Others In case of NRI / NRE / NRO
MICR Number		
IFSC Code		

B. DEPOSITORY ACCOUNT(S) DETAILS		
Depository Participant Name		
Depository Name (NSDL / CDSL)		
Beneficiary Name		
DP ID		Beneficiary ID (BO ID)

C. TRADING PREFERENCES (*Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.		
Exchange		
BSE	Cash	
	F & O	

# If in future, the client wants to trade on any new segment new exchange, separate authorization / letter should be taken from the client by the stock broker.

D. PAST ACTIONS	
* Details of any action / proceedings initiated / pending / taken by SEBI Stock exchange / any other authority against the applicant / constituent or its Partners / promoters / whole time directors authorized persons in charge of dealing in securities during the last 3 years.	..... ..... ..... .....

E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS			
If client is dealing through the sub-broker, provide the following details :			
Sub-broker's Name :			
SEBI Registration No.:			
Registered office address :			
Phone		Fax	Website





**WITNESS (only applicable in case the account holder has made nomination)**

Name		Name	
Signature		Signature	
Address		Address	

**DECLARATION**

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

Place		(.....) Signature of Client/(all) Authorised Signatory(ies)
Date		

**FOR OFFICE USE ONLY**

UCC Code allotted to the Client	
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	Document verified with Originals	Client Interviewed By	In-person Verification done by
Name of the Employee			
Employee code			
Designation of the employee			
Date & Signature			

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

..... Signature of the Authorised Signatory	Seal/Stamp of the stock broker
Date .....	

## INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

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

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

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

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

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

1. Passport / Voters Identity Card / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill / Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook - Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary

public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.

6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

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

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

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

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

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

**F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:**

Types of entity	Documentary requirements
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Copy of latest share holding pattern including list of all those holding control either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year).</li> <li>• Photograph, POI, POA, PAN and DIN numbers of whole time directors / two directors incharge of day to day operations.</li> <li>• Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.</li> <li>• Copies of the Memorandum and Articles of Association and certificate of incorporation.</li> <li>• Copy of the Board Resolution for investment in securities market.</li> <li>• Authorised signatories list with specimen signatures.</li> </ul>
<b>Partnership firm</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year)</li> <li>• Certificate of registration (for registered partnership firms only).</li> <li>• Copy of partnership deed.</li> <li>• Authorised signatories list with specimen signatures.</li> <li>• Photograph, POI, POA, PAN of Partners.</li> </ul>
<b>Trust</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year)</li> <li>• Certificate of registration (for registered trust only).</li> <li>• Copy of Trust deed.</li> <li>• List of trustees certified by managing trustees/CA.</li> <li>• Photograph, POI, POA, PAN of Trustees.</li> </ul>
<b>HUF</b>	<ul style="list-style-type: none"> <li>• PAN of HUF.</li> <li>• Deed of declaration of HUF/ List of coparceners.</li> <li>• Bank pass-book/bank statement in the name of HUF.</li> <li>• Photograph, POI, POA, PAN of Karta.</li> </ul>
<b>Unincorporated association or a body of individuals</b>	<ul style="list-style-type: none"> <li>• Proof of Existence/Constitution document.</li> <li>• Resolution of the managing body &amp; Power of Attorney granted to transact business on its behalf.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Banks/Institutional Investors</b>	<ul style="list-style-type: none"> <li>• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Foreign Institutional Investors (FII)</b>	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Army / Government Bodies</b>	<ul style="list-style-type: none"> <li>• Self-certification on letterhead.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Registered Society</b>	<ul style="list-style-type: none"> <li>• Copy of Registration Certificate under Societies Registration Act.</li> <li>• List of Managing Committee members.</li> <li>• Committee with resolution for persons authorised to act as authorised signatories with specimen signatures.</li> <li>• True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.</li> </ul>

## INSTRUCTIONS / CHECK LIST

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

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

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

2. Copy of cancelled cheque leaf / pass book / bank statement specifying name of the constituent, MICR Code or / and IFSC code of the bank should be submitted.
3. Demat master or recent holding statement issued by DP bearing name of the client.
4. for Individuals
  - a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker / sub-broker's office.
  - b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person verification. Further, considering the infeasibility of carrying out in person verification of the non-resident client by the stock broker's staff, attestation of KYC documents by Notary Public, Court Magistrate Judge, Local Banker Indian Embassy / Consulate General in the country where the client resides may be permitted.
5. For non-individuals :
  - a. Form need to be initialized by all the authorized signatories.
  - b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company / firm / others and their specimen signatures.

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

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

**CLIENT INFORMATION**

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

**MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

#### **TRANSACTIONS AND SETTLEMENTS**

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

#### **BROKERAGE**

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

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

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

entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

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

#### **TERMINATION OF RELATIONSHIP**

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

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

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client-with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.



32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRS), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECNs on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### LAW AND JURISDICTION

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

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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 brokers 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 Brokers 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 brokers 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 brokers IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

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

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

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

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

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned stock broker. The constituent shall be solely responsible for the consequences and no contract can be rescinded on that account. You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract being traded on Stock exchanges.

It must be clearly understood by you that your dealings on Stock exchanges through a stock broker shall be subject to your fulfilling certain formalities set out by the stock broker, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant Stock exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

Stock exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of Stock exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

**1. BASIC RISKS:****1.1 Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in active securities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

## **1.2 Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

**1.2.1** Buying or selling securities/ derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

## **1.3 Risk of Wider Spreads:**

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

## **1.4 Risk-reducing orders:**

The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

**1.4.1** A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

**1.4.2** A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.

**1.4.3** A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

## **1.5 Risk of News Announcements:**

News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security/ Contract.

## **1.6 Risk of Rumors:**

Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors,

## **1.7 System Risk:**

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

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

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

### 1.8 System/Network Congestion:

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

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

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

In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to Out up additional margins or reduce your positions.

E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

### 2.2 Currency specific risks:

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

### **2.3 Risk of Option holders:**

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

2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

### **2.4 Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.

2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. 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.

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

**TRANSACTIONS AND SETTLEMENTS**

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



settlement in the cash market.

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

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

- 16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges 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 brokers 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.

**PARDIWALA SECURITIES PVT. LTD. (Clg. No. 6209 )  
(Cash Segment)**

Examiner Press Bldg, 4A - Gr Floor,  
Dalal Street, Fort, Mumbai 400 001, India  
Tel.: 91 22 22651196 / 22652692 / 22655829  
**SEBI REGN. NO. INB 011415131**

To,

\_\_\_\_\_  
(Client Name)

**Sub.: Disclosure of Proprietary Trading**

Dear Sir,

The Securities & Exchange Board of India (SEBI) vide circular No. **SEBI/MRD/SE/cir-42/2003, 19th Nov. 2003** Has advised the trading member to inform / disclose to their clients if they are doing cliental business and Proprietary trading as well.

Our company is engaged mainly on cliental business. However, We wish to inform you that our company do some amount of Proprietary trading, Which is normally in the nature.

You are requested to note the aforesaid disclosure for the future dealing with us.

Kindly accept and accnolwege.

Thanking You,  
Your Faithfully,

**For PARDIWALA SECURITIES PVT. LTD.**

Director

X \_\_\_\_\_

(The Client's Signature / Authorised Signatory)

**PARDIWALA SECURITIES PVT. LTD.**  
**POLICIES & PROCEDURE**

**MANDATORY**

In order to ensure proper compliance with various Notices/Circulars/ Guidelines issued by SEBI / Exchanges and uniformity the **Pardiwala Securities Pvt. Ltd.** has prescribed the Policies & Procedure as under for guidance of all employees in HO/ all Branches which is to be strictly followed by all.

**[1] Refusal of orders for penny stocks**

PSPL does not encourage trading in penny stocks or securities falling in T2T or Z group of BSE and NSE. Member reserves its right to refuse orders in such securities from the clients desiring to deal in such shares, stocks, securities. Under exceptional circumstances and considering merits on case to case basis, trading in penny stocks/T2T/Z category would allowed to clients on delivery basis subject to stringent verifications of client holdings, intentions and bonafide reasons given by the intending clients.

There is no formal list of the "Penny Stocks" issued by the Exchanges/SEBI. However there are shares of certain companies which are called Known as "Penny Stocks" in the Market. These shares may be part of the list of "illiquid stocks" issued by the Exchanges from time to time but not necessarily so in all cases. As dealing in these stocks (in physical form or demat form) is risky the Company (as a stock broker) may declined to carry out Buy/Sale Order/s of any client for so called "Penny Stock"

**[2] Setting up of Client's Exposure limits**

The Company will fix the limit in value for each and every for which Buy/Sell Order's of any particular Client will be executed in normal course based on "Income level" for the year confirmed by the Client / Sub broker / Remiser and other considerations. The Company will not disclose the rational/logic of their decision (about fixation of the monetary limit). However if requested by the Client for any specific transaction/s to be carried out as a special case then it may be considered on merit.

**[3] Applicable Brokerage Rate**

At present SEBI permits maximum brokerage @2.5%. The Company charge brokerage to their Clients at the rate/s below this maximum limit. Each client will be intimated the rate at which brokerage will be charged to him / her / it. This rate will be revised by the Company based on volume of the Client's business / market conditions / other relevant factors. Any change in the rate of brokerage will be intimated to the Client.

**[4] Imposition of penalty / delayed payment charges by either party- Rate/ Period**

All Clients other than those who have agreed to have a "Running Account" with the Company will have to make payments due to the Company on due dates so In all cases if payment is not made to the Company on due date after considering three working days as Grace period company can sell clients out standing to clear its debit. If any Client fails to pay on due date on more than three occasions in any three months period the Company may consider to deregister that particular Client.

The Company will make payments to all clients other than those who have agreed to have "Running Account" on due date. However all concerned employees are hereby warned to ensure that there is no default in payment by the Company to any client on due date as stated above. If there is any problem in complying with this instruction the matter should be immediately be brought to the attention of the Managing Director/ Director.

**[5] The right to sell client's securities or close client's position, without giving notice to the client, on account of non payment of client's dues.**

In case any particular Client has failed to make payment on due date then the Company will sell that particular client's securities or close that particular client's position, without giving notice to the client on account of non-payment of dues.

**[6] Shortages in obligations arising out of internal netting of trades**

In case of BSE, shortages arising out of internal netting of trades the member will purchase the shares on the payout day of the purchase settlement (shortage) and the rate at which the purchases are made will be the price considered for accounting effects.

In case of NSE, shortages arising out of internal netting of trades, same procedure is applicable as of BSE. In case of shortages due to Internal Netting of trades if the Company is required to pay any penalty to the Exchange/s it will be charged to the Client concerned.

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

It is to be noted that under following circumstances any client will not be allowed to take further position or the Company may close that particular Client's position (i) if the particular Client is a Defaulter of amount due to the Company (ii) Value of the Collateral is not sufficient to meet the Losses incurred by the Client (iii) If according to the Company Market Conditions has turned or likely to turn unfavorable based on the information available or it is the view of the matter taken by the Company. (iv) that particular Client is barred from Trading on the Exchange/s by SEBI / Exchange/s. (v) Political/financial instability in the country or otherwise.

**[8] Temporarily suspending or closing a client's account at the client's request**

It is to be noted that under following circumstances any particular Client's Account may be Suspended / Closed On receipt of Written Instruction from that particular Client (ii) that particular Client is barred from Trading on Exchange/s by SEBI / Exchange/s (iii) The particular Client who has defaulted in making payment on due date to the Company (iv) on receipt of any adverse information by the Company about the particular Client.

**[9] De-Registering a client.**

It is to be noted that any particular Client/s who is/are covered under any of the following category will be deregistered at our discretion.

(i) that particular Client/s is/are barred from Trading on the Exchange/s by SEBI / Exchange/s (ii) The particular Client who has defaulted in making payment on due date to the Company (iii) on receipt of any adverse information about the particular Client (iv) The Client NOT trading through the Company continuously for more than 12 months. (v) The death of the client.

**[10] Treatment of Inactive Accounts**

Client having no trades during last financial year (excluding those who have registered during last financial year) will be treated as inactive clients and their status will be marked accordingly in to back office system after settling dues and returning collaterals if any. Re activation of such clients will be done only after due diligence by concerned authorities. I/We have read, understood the above and state that I will strictly abide by the condition laid in this policy.

Name of Client : \_\_\_\_\_

Client Code : \_\_\_\_\_

Signature of the Client X \_\_\_\_\_

**TARIFF SHEET**

	<b>CASH</b>	
Brokerage Slab	Slab %	Min Paisa
Delivery		
Square up		

<b>Other Charges (as applicable would be levied)</b>
Service Tax
Stamp duty
Transaction Charges
SEBI Turnover Fee
Securities Transaction Tax (STT)
Demat Charges for pay-in / payout of securities from pool / margin account
Franking & Stamping Charges for Power of Attorney Upto Rs. 110/-

Dear Investor !!!

**Subject : Prevention of Money Laundering**

Money laundering is a process of making dirty money clean. Money is moved around the financial system again and again in such manner that its origin gets hidden.

It involves complex chain of activities whereby huge amount of money generated from illegitimate activities viz. selling of narcotic drugs, extortion, corruption, illicit dealing in weapons, human trafficking, etc. is put through a series of process so that it comes out at the other end as clean and legal money. Terrorist organizations encourage money laundering to support their illegal acts.

It is important to note that due to increased vigilance in the wake of threats emanating from increasing terrorism, any failure on our part to discharge the duties cast on us under the applicable laws or we becoming an instrumental or a part of the chain, even if unknowingly or ignorantly, may invite the trouble.

In order to fight against the money laundering and terrorist financing the Prevention of Money Laundering Act (PMLA) was brought into force w.e.f. July 1, 2005 in India. Guidelines were also issued in the context of the recommendations made by the Financial Action Task Force on anti-money laundering standards. Compliance with these standards has become imperative for international financial relations.

PMLA is applicable to every intermediary registered with Securities & Exchange Board of India (SEBI), which includes a stockbroker, depository participant, portfolio manager, sub-broker and any other intermediary associated with securities market.

As per the provisions of PMLA, the intermediaries are required to comply with Know Your Client (KYC) norms, conduct ongoing client due diligence to ensure that the activity being conducted in any account is consistent with the intermediary's knowledge of the client, its business and risk profile.

In light of the above, you are requested to provide the information or documents evidencing source of funds, income tax returns, bank records, demat holding, etc. at the time of registration as a client with us or subsequently whenever asked for during the course of your dealings with us.

:For further details kindly visit our **website: [www.rkpspl.com](http://www.rkpspl.com)**

Dated :

To  
**Pardiwala Sec Pvt Ltd** ( Share & stock broker )  
Examiner Press Bldg, 4A - Gr Floor,  
Dalal Street, Fort, Mumbai 400 001. India  
Tel.: 91 22 22651196 / 22652692 / 22655829

Dear Sir

**Consolidated Letter of Authority**

I/We have been regularly trading and investing, or plan to do so, with you at The Stock, Exchange, Mumbai (BSE) (Cash / Futures & Options Segment) To Facilities ease of operations, I/We request and authorize you as under.

1. My/our order for purchase/sale of shares and securities will be given telephonic or orally dealing my/our visit to your office. I/We further declare that all orders placed by me/us with you will for my/our personal/family account(s) and that I/We will not operate for any class and will not issue any further contact / bills for the transactions executed through you.
2. I/We hereby authorise you not to provide me/us Order confirmation / Modification / Cancellation Slips and Trade Confirmation Slips to avoid unnecessary Paper work. I/We shall get the required details from contract note issued by you.
3. I/We agree to collect the contract notes/bills/account statements and other relevant documents for the deals executed and in case of non-collection, you may dispatch the same through ordinary post, courier or through any other mode at the address provided by me/us and it shall be deemed to be effective delivery of the same to me/us.
4. I/We hereby authorise you to undertake any transfer inter-se of funds, securities, debits & credits available between various segments. i.e. BSE capital market and futures & options / derivatives segments.
5. I/We hereby authorise you to maintain my/our account, both funds & securities, with you on a running account basis and request you to consider the balances in my/our running funds and securities account with you for the purpose of margins / any other obligations due to you. In view of the same it would be proper to release the funds and securities due to me/us on my/our specific request, either written or oral, You may charge the funds and securities due to me/our account with you. Further I/We hereby authorise you to inter-se transfer or hold funds, securities, debits, credits etc among my/our family members accounts.
- 5a. I/We reserve the right to revoke authorization given to you as per paragraph 5 above to maintain Funds and Securities, Mutual and Current Running Account basis.
- 5b. This authorization will be renewed and confirmed during month of January every year.
6. I/We agree and authorised you to debit charges for depository service and any other incidental charges to my/our running account.
7. I/We hereby authorise you to liquidate / close out / sell all or any of my/our positions of share dealing with you for non-payment of margins or other outstanding debts due to us. I/We agree to bear any and all losses and financial charges on account of such liquidation / close out.
8. I/We agree that you may refuse to execute any particular transaction without assigning any reason therefore.

9. I/We agree not to hold you liable or responsible for delay or default in performance of your obligations due to contingencies beyond your control such as fire, flood, civil commotion, earthquake, riots, war, Strikes, failure of systems, failure or internet links, Government / regulator actions or any such other contingencies which may be beyond our control.

10 I/We agree to accept the abridged / consolidated contract notes for all the trading done by me/us, daily the day on weightage average basis without showing the trade details of each & every transactions.

My/our preference for actual settlement of funds and securities is at least.

Once in a Calender Quarter

Once a Calender Month

Thanking you,

Yours truly

Signature X \_\_\_\_\_

Client Name :



**AUTHORITY TO SEND DIGITALLY SIGNED CONTRACT NOTES**

Dated :

**PARDIWALA SECURITIES PVT. LTD. (Ctg. No. 6209 )**

**(Cash Segment)**

Examiner Press Bldg, 4A - Gr Floor,  
Dalal Street, Fort, Mumbai 400 001. India  
Tel.: 91 22 22651196 / 22652692 / 22655829

**SEBI REGN. NO. INB 011415131**

Dear Sirs,

In reference to my/our dealings with you as your client, I/We hereby authorise you to send the digitally signed Contact Notes / Bills / Ledger Accounts etc. at my/our following email-id

EMAIL ID :	1. _____
	2. _____
	3. _____

It is being informed that non - Receipt of Bounded Mail shall amount to deliver of Contract Notes

I/We confirm that once you send the said documents at the aforesaid email-id, you may treat the same as received by me/us. In case of any query, I/We shall intimate you within 24 hours thereof at your designated e-mail : rahul@rkpspl.com

In case of any change in my/our said email-id, I/We undertake to intimate the same to you in writing.

It is being informed that non-receipt of Bounced mail shall amount to delivery of contract notes.

Thanking You,

Signature : X \_\_\_\_\_

Client Name :



# pardiwala

securities pvt. ltd.

EXAMINER PRESS BUILDING, 4A-GROUND FLOOR, DALAL STREET, FORT, MUMBAI - 400 001

## FATCA-CRS Declaration & Supplementary KYC information for Individual.

NAME :

PAN :

Place & Country of Birth	
Are you assessable to tax in any country other than India (YES/NO)	
If No, we declare that	I/We are citizens, my /our residence for tax purpose in India and I/We are not a 'US person' as defined in Rule 114f of the Income Tx Rule, 1962.
If yes then kindly provide the tax payer identification Number (TIN) or functional equivalent as issued in the specific country. (in case of multiple countries, kindly give for all the countries)	

I/We understand that you are relying on this information inter alia for the purpose of determining my/our status in compliance with FATCA/CRS. You are not able to offer any tax advice on CRS Or FATCA or its impact on me/us. I/We shall seek advice from professional tax advisor for any tax questions. I/we agree to submit a new form within 30 days if any information or certification on this form becomes incorrect. I/we agree that as may be required by domestic regulators /tax authorities, you may also be required to report ,reportable details to CBDT or close or suspended my account .

I/we certify that I/we provide the information on this form and to the best of my knowledge and belief the certification is true , correct and complete . Kindly update the above data on the CDSL systems ,the KRA systems and your back office systems and other places as desired by you .

Signature X \_\_\_\_\_

Place:

Date: