



## RS Wealth Management Pvt. Ltd.

Regd. & Corporate Office: HO: 606, Pearls Best Heights-II, Plot no. C-9, Netaji Subhash Place, Pitampura, Delhi-110034

CIN No. - U67190DL2013PTC251918

Depository Division: 606, Pearls Best Heights-II, Plot no. C-9, Netaji Subhash Place, Pitampura, Delhi-110034

Tel. : 011-40821500

Email : [compliance@rswalth.in](mailto:compliance@rswalth.in)

In case of any grievances please write to [grievance@rswalth.in](mailto:grievance@rswalth.in)

SEBI REGN. NO.: IN-DP-434-2019

Equity SEBI Registration No. INZ000009936. Exchange Registration Nos NSE : No-90151

BSE : TM No-6616, MCX TM No. : 55800,

Depository ID: 12089600

SEBI Research Analyst Regn. No :INH000015145



# CLIENT COPY

## ACKNOWLEDGEMENT TO CLIENT



## RS WEALTH MANAGEMENT PVT. LTD.

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

We hereby acknowledge the receipt of the Account Opening Form (KYC) with thanks from

Client Name					
PAN					
RM Name		Emp. Code		Branch Code	
RM Mobile			E-mail		
Customer Care No.	011-40821500		E-mail	<a href="mailto:compliance@rswalth.in">compliance@rswalth.in</a>	
Head Office	606, Pearls Best Heights-II, Plot no. C-9, Netaji Subhash Place, Pitampura, Delhi-110034				

# INDEX

## MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES

S.No.	Name of Document	Brief Significance of the Document	Page No.
1.	Rights and Obligations	Equity/Currency/Commodity/DP	1-13
2.	Internet/Wireless Technology	Additional rights & obligations in case of internet/wireless technology based trading	14
3.	Risk Disclosure Document (RDD)	Detailing risks associated with dealing in the securities market / commodities market	15-18
4.	Guidance Note	Do's and Don'ts for Trading on the Exchange(s) for Investors	19-22
5.	Policies & Procedures	Equity/Currency/Commodity	23-30

## VOLUNTARY DOCUMENTS AS PROVIDED BY RS WEALTH

S.No.	Name of Document	Brief Significance of the Document	Page No.
1.	Terms & Conditions	Terms & Conditions of Stock Broker & Client	30-32
2.	FATCA & CRS Terms & Conditions	FATCA & CRS Terms and Conditions for Individual & Non-Individual	33-37

**RIGHTS AND OBLIGATIONS**  
**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, AUTHORISED PERSONS AND CLIENTS**  
**As prescribed by SEBI, Stock Exchanges**

1. The client shall invest/trade in those securities/commodities/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 member, authorised persons 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 member 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 member.
4. The member shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The 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.

**CLIENT INFORMATION**

6. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/commodities/SEBI from time to time.
7. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
8. The client shall immediately notify the member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
9. The stock broker and authorised persons 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**

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

**TRANSACTIONS AND SETTLEMENTS**

12. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
13. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
14. The stock broker shall ensure that the money/securities/commodities 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, Byelaws, circulars and notices of Exchange.

15. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
16. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under 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 there under.

## **BROKERAGE**

17. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client'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**

18. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
19. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities/commodities 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/commodities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

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**

20. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
21. 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.
22. 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 there under as may be in force from time to time.
23. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-avis the client and he shall be liable to implement the arbitration awards made in such proceedings.
24. 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**

25. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
26. 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.

## **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.



28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

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

29. 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.
30. 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.
31. 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.
32. 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.
33. The stock broker shall send a complete "Statement of Accounts" for both funds and securities/commodities 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.

34. 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/commodities.
35. 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.

36. The stock broker / stock broker and depository participant shall not directly /indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate email 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 email as an attachment, the attached file shall also be secured with the digital signature, encrypted and nontamperable.
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 ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

## **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, authorised person 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 there under 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 there under 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.

## RIGHTS AND OBLIGATIONS OF COMMODITY BROKERS, AUTHORISED PERSONS AND CLIENTS as prescribed by SEBI and Commodity Exchanges

1. The client shall invest/trade in those commodities /contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules/ Regulations of Exchanges/SEBI and circulars/notices issued there under from time to time.
2. The Member, Authorized Person and the client shall be bound by all the Rules, Byelaws and Business Rules 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 himself of the capacity of the Member to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.
4. The Member shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.
6. Requirements of professional diligence
  - a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.
  - b. "professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with-
    - i. honest market practice;
    - ii. the principle of good faith;
    - iii. level of knowledge, experience and expertise of the Client;
    - iv. the nature and degree of risk embodied in the financial product\* or financial service being availed by the Client; and
    - v. the extent of dependence of the Client on the Member.

\*Commodity derivative contract

7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

### CLIENT INFORMATION

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory

provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-mandatory; therefore, subject to specific acceptance by the client.

10. The client shall immediately notify the Member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the Member on a periodic basis.

#### 11. A. Protection from unfair terms in financial contracts\*\*

- a. An unfair term of a non-negotiated contract will be void.
- b. A term is unfair if it –
  - i. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
  - ii. is not reasonably necessary to protect the legitimate interests of the Member.

- c. The factors to be taken into account while determining whether a term is unfair, include –

- i. the nature of the financial product or financial service dealt with under the financial contract;
- ii. the extent of transparency of the term;

\*\*contracts offered by commodity exchanges

- iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and

- iv. the financial contract as a whole and the terms of any other contract on which it is dependent.

- d. A term is transparent if it –

- i. is expressed in reasonably plain language that is likely to be understood by the Client;
- ii. is legible and presented clearly; and
- iii. is readily available to the Client affected by the term.

- e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

#### 11.B.

- a. "Non-negotiated contract" means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes –

- i. A financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in

- ii. determining terms of the financial contract; and
- iii. A standard form contract.
- b. "Standard form contract" means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.
- c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a non-negotiated contract if so indicated by –
  - i. an overall and substantial assessment of the financial contract; and
  - ii. the substantial circumstances surrounding the financial contract
- d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

11. C.

- a. The above does not apply to a term of a financial contract if it –
  - i. defines the subject matter of the financial contract;
  - ii. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or
  - iii. is required, or expressly permitted, under any law or regulations.
- b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non- occurrence of any particular event.
- 12. The Member and Authorized Person 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 Member may so disclose information about his client to any person or authority with the express permission of the client.

13. A. Protection of personal information and confidentiality

- a. "Personal information" means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes –
  - i. name and contact information;
  - ii. biometric information, in case of individuals
  - iii. information relating to transactions in, or holdings of, financial products
  - iv. information relating to the use of financial services; or
  - v. such other information as may be specified.

13. B.

- a. A Member must –

I. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;

ii. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;

iii. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;

iv. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and

v. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.

- b. A Member may disclose personal information relating to a Client to a third party only if –

I. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;

ii. the Client has directed the disclosure to be made;

iii. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

iv. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

v. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member –

1. informs the Client in advance that the personal information may be shared with a third party; and

2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or

vi. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.-

- c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

14. A. Requirement of fair disclosure both initially and on continuing basis

- a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.



- b. In order to constitute fair disclosure, the information must be provided –
  - i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;
  - ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
  - iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.
- c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –
  - i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
  - ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
  - iii. existence, exclusion or effect of any term in the financial product or financial contract;
  - iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
  - v. contact details of the Member and the methods of communication to be used between the Member and the Client;
  - vi. rights of the Client to rescind a financial contract within a specified period; or
  - vii. rights of the Client under any law or regulations.

#### 14. B.

- a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures –
  - i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;
  - ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
  - iii. any other information that may be specified.
- b. A continuing disclosure must be made –
  - i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
  - ii. in writing and in a manner that is likely to be understood by a Client belonging to that category.

## MARGINS

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
16. 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

17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
18. The Member shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant commodity exchange where the trade is executed.
19. The Member shall ensure that the money 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 Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.
20. 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, Member shall be entitled to cancel the respective contract(s) with client(s).
21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules 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 Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars/notices issued thereunder.

## BROKERAGE

22. The Client shall pay to the Member brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant commodity exchanges and/or Rules of SEBI.

## LIQUIDATION AND CLOSE OUT OF POSITION

23. Without prejudice to the Member's other rights (including the right to refer a matter to arbitration), the client understands that the Member shall be entitled to liquidate/close out all or any of the client's positions for non- payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
24. 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 commodities which the client has ordered to be bought or sold, Member 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/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

## DISPUTE RESOLUTION

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.
26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Business Rules of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
27. The client/Member understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/Member shall be binding on the client/Member in accordance with the letter authorizing the said representative to deal on behalf of the said client/Member.
28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients
- a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it,

or on its behalf, in a prompt and fair manner.

- b.A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –
- i. the Client's right to seek redress for any complaints; and
  - ii. the processes followed by the Member to receive and redress complaints from its Clients.
29. A. Suitability of advice for the Client
- Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Clients financial
- circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.
- a A Member must –
- i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and
  - ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.
- b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.
- c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –
- i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and
  - ii. may provide the financial product or financial service requested by the Client only after complying with point 29.A.a and obtaining a written acknowledgement from the Client.
30. Dealing with conflict of interest
- In case of any conflict between the interests of a Client and that of the Member, preference much be given to the Client interests.
- i. A member must –
- i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and
  - ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between –

ii. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.

iii. In this section, "conflicted remuneration" means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

## **TERMINATION OF RELATIONSHIP**

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.

32. The Member, Authorized Person 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.

33. In the event of demise/insolvency of the Authorized Person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the Authorized Person by the commodity exchange and/or termination of the agreement with the Authorized Person by the Member, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the Member and all clauses in the 'Rights and Obligations' document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients 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 Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on 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.

37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities 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.

38. The Member shall send margin statements to the clients on daily basis. 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, warehouse receipts, securities etc.

39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member 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.

40. In case, where a member surrenders his/ her/ its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.

41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct

i. Unfair conduct in relation to financial products or financial services is prohibited.

ii. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes—

i. misleading conduct under point 41.B

ii. abusive conduct under point 41.C

iii. such other conduct as may be specified.



41. B.

- a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves –
  - i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
  - ii. providing accurate information to the Client in a manner that is deceptive.
- b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" –
  - i. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;
  - ii. the Client's need for a particular financial product or financial service or its suitability for the Client;
  - iii. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
  - iv. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
  - v. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and
  - vi. the rights of the Client under any law or regulations.

41. C.

- a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –
  - i. involves the use of coercion or undue influence; and
  - ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
- b. In determining whether a conduct uses coercion or undue influence, the following must be considered –
  - i. the timing, location, nature or persistence of the conduct;
  - ii. the use of threatening or abusive language or behavior;
  - iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
  - iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including –
    - iii. the right to terminate the financial contract;
    - iv. the right to switch to another financial product or another Member and
    - v. a threat to take any action, depending on the

circumstances in which the threat is made.

**ELECTRONIC CONTRACT NOTES (ECN)**

- 42. 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.
- 43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamper able.
- 44. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.
- 45. The Member shall retain ECN and acknowledgement of the e-mail in a soft and non-tamper able form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/circulars/guidelines issued by SEBI/Commodity 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 Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/Commodity 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 Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges.
- 46. The Member shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI/commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
- 47. In addition to the e-mail communication of the ECNs to the client, the Member shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

**LAW AND JURISDICTION**

- 48. In addition to the specific rights set out in this document,



which the Member, Authorized Person and the client shall be entitled to exercise any other rights

the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.

49. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant commodity exchanges, where the trade is executed, that may be in force from time to time.
50. The Member and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal, if either party is not satisfied with the arbitration award.
51. 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/Business Rules and circulars/notices issued thereunder of the Exchanges/SEBI.

52. All additional voluntary/non-mandatory clauses/document added by the Member should not be in contravention with Rules/ Business Rules/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.
53. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity 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.
54. Members are required to send account statement to their clients every month.

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

### **General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time. Beneficial Owner information
3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time. Fees/Charges/Tariff
5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set

out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat account.

6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same. Dematerialization
8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories. Separate Accounts
9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

## **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions. Statement of account
13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time. Manner of Closure of Demat account
17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

## **Default in payment of charges**

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

## **Liability of the Depository**

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

## **Freezing/ DE freezing of accounts**

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

## **Redressal of Investor grievance**

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

## **Authorized representative**

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

## Law and Jurisdiction

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

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



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

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

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

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

## 1. BASIC RISKS :

### 1.1 Risk of Higher Volatility:

Volatility refers to the dynamic changes in price that a security/commodity/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/commodity/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / commodities / derivatives contracts than in active securities / commodities /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 / commodities / 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 / commodities / 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 / commodities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities/commodities/ 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 / commodity / 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 / commodity / 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 / commodities / 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.

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.

**1.4.2** A stop loss order is generally placed "away" from the current price of a stock / commodity / 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 / commodity / 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 / commodity / 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

B. If you fail to deposit the additional amount by the

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.

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 put up additional margins or reduce your positions.

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

## **2.2 Currency specific risks:**

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

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

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

1. 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 g 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/commodities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

contracts through the mechanism provided by the Exchanges.

#### 4. GENERAL

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

4.1 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.

### ADDITIONAL RISK DISCLOSURE DOCUMENTS FOR OPTIONS TRADING

#### 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.

#### Risks of Option Writers:

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

The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

2. 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.



## GUIDANCE NOTE - DO'S AND DON'TS FOR TRADING ON THE EXCHANGE(S) FOR EQUITY, EQUITY DERIVATIVE & CURRENCY DERIVATIVES CLIENTS

### 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' websites i.e. [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com), [www.mseil.in](http://www.mseil.in) and the 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 stockbroker 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, if any, free of charge. Standard set of documents (Rights and Obligations, Risk Disclosure Document, Guidance Note, Policies and Procedures) as prescribed by SEBI will be available at RS Wealth management Pvt.Ltd. website at [www.rswealth.in](http://www.rswealth.in)
  7. In case you wish to execute Demat Debit and Pledge Instruction (DDPI) 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.
- 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 e-mail id with the stock broker, to receive trade confirmation alerts/

### TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your e-mail 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

details of the transactions through SMS or e-mail, by the end of the trading day, from the stock exchanges.

## IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case a stock broker surrenders his membership, is expelled from membership or declared a defaulter, stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities, which 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. The above documents are available in vernacular language at the below links:  
[https://www.nseindia.com/membership/content/complinc\\_trading\\_mem.htm](https://www.nseindia.com/membership/content/complinc_trading_mem.htm)  
[http://www.bseindia.com/investors/client\\_registrations.aspx](http://www.bseindia.com/investors/client_registrations.aspx)

## GUIDANCE NOTE-DO's AND DON'Ts FOR THE CLIENTS REGD IN COMMODITY EXCHANGES/SEGMENTS

### Do's

1. Trade only through Registered Members of the Exchange. Check from the Exchange website at following link For MCX: <https://www.mcxindia.com/membership/notice-board/Member-APForNCDEX>:  
<http://www.ncdex.com/Membership/Memberdirectory.asp> x.For NSE:  
[https://enit.nseindia.com/MemDirWeb/form/tradingMemberLocator\\_beta.jsp](https://enit.nseindia.com/MemDirWeb/form/tradingMemberLocator_beta.jsp) For BSE:  
<https://www.bseindia.com/members/MembershipDirectory.aspx>
2. Details to see whether the Member is registered with the Exchange.
3. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading
4. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
5. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
6. Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
7. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link For MCX:  
<https://www.mcxindia.com/en/login> For NCDEX:  
<https://ncdex.com/subscriber/login>  
For NSE:  
<https://investorhelpline.nseindia.com/NICEPLUS/loadRegisterUser> For BSE:  
[https://www.bseindia.com/investors/trade\\_check.aspx](https://www.bseindia.com/investors/trade_check.aspx)
8. The trades can be verified online where trade information is available up to 5 working days from the trade date. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
9. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
10. Obtain receipt for collaterals deposited with the Member to wards margins.
11. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
12. Ask all relevant questions and clear your doubts with your Member before transacting.
13. Insist on receiving the bills for every settlement.
14. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
15. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
16. Keep Delivery Instruction Slips (DIS) book issued by Dps

in safe possession.

17. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
18. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
19. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
20. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
21. Under standard comply with accounting standards for derivatives.
22. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
23. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/guidelines specified by SEBI / Commodity Exchanges.
24. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank/ demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/ demat account.
25. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be 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) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.
  - c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.
- d) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/details of the transactions through SMS or email, by the end of the trading day, from the commodity exchanges.
26. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives or the member becomes insolvent or bankrupt.
27. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
28. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

#### Don'ts

1. Do not deal with any unregistered inter me diaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter in to assured returns arrangement with any Member
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/implicit promise of returns, etc.
5. Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member.
6. Do not start trading before reading and understanding the Risk Disclosure Agreement.
7. Do not neglect to set up in writing, orders for higher value given over phone.
8. Do not accept unsigned/duplicate contract note / confirmation memo.
9. Do not accept contract note/confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone
11. Do not delay payment/deliveries of commodities to Member.
12. Do not forget to take note of risks involved in the investments.
13. Do not sign blank Delivery Instruction Slips (DIS) while furnishing commodities, deposits and/or keep them with Depository Participants (DP) or member to save time.
14. Don't pay brokerage in excess of that rates prescribed by the Exchange
15. Don't issue cheques in the name of Authorized Person.

## MANAGIING YOUR DEMAT ACCOUNT

### SIIMPLE DOs and DON'Ts

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
2. Intimate any change of address or change in bank account details to your DP immediately.
3. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.
4. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
5. Strike out the empty space, if any, in the DIS, before submitting to DP.
6. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
7. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
8. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
9. Register for SMS Alert facility. If any unauthorized debit is noticed, the BO should immediately inform CDSL and the Main DP, in writing. An email may be sent to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com).
10. Register for CDSL's Internet based facility "easi" Internet based facility "speede" to monitor your demat account yourself. Contact your DP or visit CDSL's website: [www.cdslindia.com](http://www.cdslindia.com).
11. In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.
12. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.



## **POLICIES AND PROCEDURES APPLICABLE TO CLIENTS OF RS WEALTH MANAGEMENT PVT. LTD.**

### **1. REFUSAL OF ORDERS FOR PENNY STOCKS**

RS Wealth Management Pvt. Ltd ("RS Wealth") normally offers trading facility to its clients in all the compulsorily dematerialized stocks which are listed on the Stock Exchanges. However, RS Wealth Management Pvt. Ltd discourages/ restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to RS Wealth Management Pvt. Ltd.

#### **"Penny Stocks" for this purpose shall include:**

- a. Stocks appearing in the list of illiquid securities/commodities issued by the Exchanges from time to time.
- b. Stocks which are highly illiquid and have a low market capitalization and 'Z' Group Securities/commodities.
- c. Any securities/commodities as may be restricted for trading by Exchanges.
- d. Stocks categorized by exchange in ASM, GSM, Unsolicited SMS.
- e. Any other securities/commodities as may be restricted for trading by RS Wealth Management Pvt. Ltd based on its internal evaluation.

As a part of Risk Management System, RS Wealth Management Pvt. Ltd restricts clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Also, RS Wealth Management Pvt. Ltd have/may have in place further restrictions in terms of quantity/ value in each/all penny stocks together as notified by its extant circulars. Further in case of Internet Trading clients, RS Wealth Management Pvt. Ltd may at any time at its sole discretion block/ restrict the client's online trading terminal to prevent the client from placing orders in such penny stocks through the Online Trading Platform of RS Wealth Management Pvt. Ltd. Further in case the client is able to place an order for penny stocks which are restricted by RS Wealth Management Pvt. Ltd through Online Trading Platform or otherwise, RS Wealth Management Pvt. Ltd may not accept such order.

RS Wealth Management Pvt. Ltd shall not be held liable for restricting/ prohibiting trade in penny stocks at any time. Further, RS Wealth Management Pvt. Ltd shall not be held liable or responsible in any manner whatsoever for any refusal/cancellation of orders for trading in penny stocks/other securities/commodities and the Client shall indemnify RS Wealth Management Pvt. Ltd in respect of any loss caused to RS Wealth Management Pvt. Ltd by virtue of the Client trading in penny stocks.

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

As part of risk management, 'RS Wealth Management Pvt. Ltd ' accepts margin from clients in form of funds, pledged securities/commodities and other forms prescribed by Regulator from time to time.

Margin available for trading margin = Adjusted Ledger Balance + After Haircut Value of pledge stocks/commodities – Required exchange margin on unsettled sell transactions/Unsettled derivative credit bills.

The trading ledger balance is adjusted to factor unclear cheque, value of undelivered stocks and debit balance in broker margin funding account from the clients trading ledger balance.

RS Wealth Management Pvt. Ltd shall set client's exposure limits depending on the type of securities/commodities

provided as Margin/ available funds in the client's ledger. Exposure limits are also set based on categories of stocks/ position (derivatives) client can trade. Securities/commodities that are acceptable as margin and their categorization may be changed by RS Wealth Management Pvt. Ltd from time to time at its sole discretion. Further client categorization may also be changed based on various factors including trading pattern of clients, profile/ residential status/ financial status of client.

RS Wealth Management Pvt. Ltd from time to time shall apply such haircuts as may be decided by RS Wealth Management Pvt. Ltd on the approved securities/commodities against which the Exposure limits are given to the client. RS Wealth Management Pvt. Ltd may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/Exchanges as part of its Risk Management System.

Subject to the client's exposure limits, client may trade in securities/commodities and/ or take positions in the futures and options segment. Client shall abide by the exposure limits, if any, set by RS Wealth Management Pvt. Ltd or by the Exchange or Clearing Corporation or SEBI from

time to time. Limits/ Exposure provided shall vary based on the intraday/ delivery/ carry forward positions made by the client.

The exposure limits set by RS Wealth Management Pvt. Ltd does not by itself create any right for the Client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits. The client agrees to compensate RS Wealth Management Pvt. Ltd in the event of RS Wealth Management Pvt. Ltd suffering any loss, harm or injury on account of exposure given and/or withdrawn. In case of sale of Securities/commodities, such sale may at the discretion of RS Wealth Management Pvt. Ltd be provided only to the extent of the availability of securities/commodities in the account of the client (DP free Stock, DP lien/ hold marked securities/commodities). Further the credit received against sale may be used for exposure as may be decided by RS Wealth Management Pvt. Ltd from time to time.

In case of derivatives, Clients shall be allowed to trade only up to the applicable client- wise position limits set by the Exchanges/Regulators from time to time. RS Wealth Management Pvt. Ltd may from time-to-time demand additional margin from the client in the form of funds or securities/commodities if there is a requirement for the same and the client shall be required to provide the same.

#### **A. Capital Market Segment (including SLBM segment)**

It is mandatorily to pay Va Rmargins, Extreme loss Margin (ELM) and other applicable margins (ranging between 20% - 100%) on an upfront basis i.e. in advance of trade. Other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, shall be collected within 'T+2' working days.

Intraday trading, Cover and bracket order (in Equity segment of NSE, BSE) is provided on selected scrips to clients for buying and short selling subject to upfront margin between 20% to 100% (subject to changes). All open positions of the client marked as intraday trades, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions.

#### **B. Derivative segment (Equity, Currency, Commodity etc.)**

It is mandatory to pay SPAN/ Initial margin & Extreme loss margin on an upfront basis i.e. in advance of trade. Delivery Margin (for F&O) and margin on

consolidated crystallized obligation (for F&O and Currency) shall be payable by T+1 day. However, in case of currency future contracts, final settlement amount shall be payable by T+2 day. Further, for Commodity derivatives, other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, shall be payable within 'T+2' working days.

All open positions of the client marked as intraday trades, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions.

### **Broker margin funding facility in equity segment (NSE)**

The facility allows the client to carry forward equity positions till the time positions are squared off or payment is made. The upfront Margin & MTM as applicable and required to be paid in the form of funds/ pledged securities. Further, the clients are required to authenticate the funded stock pledge within the prescribed else funding on given security will be reversed on T+1 EOD.

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

The Schedule of Brokerage and other charges leviable by RS WEALTH on the clients are provided under the heading "Tariff Sheet" in this Form. Within the mentioned scale, the brokerage and other charges will be charged as agreed by the client in that section. If

there is any upward revision of brokerage, the same will be informed to the client with 15 days prior notice. However, all the brokerage and other charges are subject to the maximum limits as prescribed by SEBI/ Exchanges/ Government and other Regulatory authorities from time to time.

### **4. IMPOSITION OF PENALTY OR DELAYED PAYMENT CHARGES**

The clients are required to settle the pay-in/ provide margin within the time limits provided by Exchanges/ SEBI/ RS Wealth Management Pvt. Ltd risk management system. In case the client fails to provide the same within the prescribed time, delayed payment charges up to 2% per month shall be levied on the client's account on any delayed payments towards trading either in the cash or derivatives segments or on account of any other reason beyond the due date of payment as may be prescribed by RS Wealth Management Pvt. Ltd. Such delayed payment charges shall be directly debited to the account of the Client. This is only a penal measure and brings in discipline in the clients to clear the dues in time as RS Wealth Management Pvt. Ltd had to clear its obligations to the Exchange as per the time limits set by the Exchanges. RS WEALTH reserves the right of imposition of delayed payment charges on the client account and the client shall be liable for payment of such charges at such rate as may be prescribed by RS Wealth Management Pvt. Ltd from time to time.

### **5. RIGHT TO SELL CLIENTS SECURITIES/COMMODITIES OR CLOSE CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT ON ACCOUNT OF NON-PAYMENT OF DUES. (LIMITED TO**

### **SETTLEMENT/MARGIN OBLIGATIONS)**

As a part of its Risk Management System, RS WEALTH shall have the sole discretion to square off the open position of the Client and/ or sell clients' securities/commodities (including securities/commodities maintained as margin with RS Wealth Management Pvt. Ltd and securities/commodities lying in client's beneficiary/ demat account) in case the client fails to meet its settlement/margin obligations in time. The specific securities/commodities to be sold and the positions to be squared off shall be decided solely by RS Wealth Management Pvt. Ltd. Further, the square off of client's open position or the selling of securities/commodities may be executed on best effort basis on such Exchanges and at such price as may be decided by RS Wealth Management Pvt. Ltd. RS WEALTH shall have no obligation of communicating the same to the Client. RS Wealth Management Pvt. Ltd shall not be responsible for any losses, delays, brokerage, other charges, margin shortfall penalties etc. incurred by the client due to such squaring off of the open position of the client. RS Wealth Management Pvt. Ltd reserves the right to square off client's open positions or sell clients' securities/commodities under following circumstances:

A. Where the limits given to the Client have been breached inter-alia;

- i) Block and sell – In case of Non broker margin funding clients, at the end of the day clients are required to maintain minimum 20% margin (subject to changes) in approved form of margin as per RS Wealth Management Pvt. Ltd. Client needs to pay 100% margin for unapproved category of stocks as per RS Wealth Management Pvt. Ltd scrip categorization and haircut policy.

For broker margin funding clients, at the end of the day clients are required to maintain minimum margin and MTM loss requirement on funded stocks as prescribed by the exchange from time to time.

Failing to above, clients will be marked in block and sell category and clients need to provide shortfall margin before 8.30 am of next trading session to avoid risk selling by RMS. Block and sell clients are kept in square off mode till the time RMS liquidation process completed. Normally, RMS liquidates positions on best effort basis between 9.15 am to 9.45 am or such other time at its discretion. The square off mode gets removed after entire process gets completed. The securities/commodities would be liquidated as per discretion of the RS Wealth Management Pvt. Ltd.

- ii) Intraday Trades (All segment)-All open positions of the client marked as intraday trades, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions. The out of the money options contracts in derivative segment will not be square-off after 3.15 pm on the expiry day. For any reasons positions remains open, the client is liable for the delivery settlement / carry forward positions and also needs to make payment of required margin before end of day RS Wealth Management Pvt. Ltd shall not be held responsible for any

losses, brokerage, other charges, margin shortfall penalties etc.

B. Where the Client has defaulted on their existing obligation and / or have failed to make payments / deliver securities/commodities to RS Wealth Management Pvt. Ltd within the stipulated time period as may be prescribed by RS Wealth Management Pvt. Ltd

C. In addition to above, in case of equity, commodity and currency derivatives transactions,

- i) where the margin or security placed by the Client with RS WEALTH falls short of the applicable minimum margin as may be required to be maintained by the client;
- ii) Where Mark to Market Loss on the open position has reached the stipulated % of the margins placed with RS WEALTH and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss;
- iii) If the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time.
- iv) Physical settlement in derivative segment
  - a. All open positions in stock future and options are liable for compulsory physically settled. On the expiry day after 2.00 pm RS WEALTH do square off in these contracts.
  - b. Out of money option contracts are not liable for the physical settlement hence these contracts are not squared off by RS WEALTH on the expiry day at 2.30 pm. RS WEALTH shall not be responsible. if any contracts convert to "In the money" from "out of money" after 2.30 pm.
  - c. The netted off positions before doing square off is calculated as per below table. The positions netted of with the options writing positions are having risk of physical settlement as buyer of the CALL options has right (but not obligation) to buy the shares at the strike price before or on the expiry date and buyer of the PUT options has right (but not obligation) to sell the shares at the strike price before or on the expiry date.
  - d. For any reasons positions remain open is liable for the delivery settlement positions. Client needs to make payment of required margin before end of day, delivery of shares towards payin obligation, payin of funds on T+1. RS WEALTH shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.

Position	Position
FUTURE BUY	ITM PUT BUY
FUTURE BUY	ITM CALL SELL
FUTURE SELL	ITM PUT SELL
FUTURE SELL	ITM CALL BUY
ITM CALL BUY	ITM PUT BUY
ITM CALL SELL	ITM PUT SELL
ITM CALL SELL	Holding Available in client DP
ITM PUT BUY	Holding Available in client DP
FUTURE SELL	Holding Available in client DP

- e. On the monthly Expiry Day, RMS will square off ITM (In the money) options & future stock contract to avoid any physical delivery settlement by End of Day (EOD), however for stock option contract square offs shall include two  
(2) strike price on the upper or lower side of the ITM contract to avoid any volatility risk.

D. In case of commodity derivatives transactions,

1. Clients having open positions in compulsory deliverable contracts must be squared off before the start of tender / delivery period i.e. 5 days prior to expiry date. Further, new positions will not be allowed

during tender / delivery period of 5 days.

2. In case client wishes to opt for delivery-based settlement for any commodity, consent should be given for the same to the Relationship Manager either in writing or through its registered email. In such cases, buyer needs to ensure that sufficient margin against the deliverable quantity is lying with the RS Wealth Management Pvt. Ltd to meet the obligations. The Seller who intends to give delivery needs to ensure that the physical commodity is made available and the same is reflected in the COMRIS / COMTRACK / CCRL/NERL account before the Tender period begins.

3. Clients having positions where contracts are either cash settled or settled at due date rate (DDR) must be squared on or before expiry of the contract.

RS WEALTH reserves the right to square off the open position of client and/ or sell client's securities/commodities under the prescribed circumstances. However, RS WEALTH is not obligated and does not guarantee to square off the open positions and/ or sell client's securities/commodities. The client shall be solely responsible for the trading decisions taken by the client. It shall be the responsibility of the client to make payments towards outstanding obligations and/ or applicable margins to RS WEALTH in time irrespective of whether RS WEALTH exercises its right to square off the positions of the client in accordance with the provisions given herein above.

Client shall be solely responsible for any resultant losses incurred due to selling of client's securities/commodities by RS WEALTH or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the CLIENT and RS WEALTH shall be fully indemnified and held harmless by the CLIENT in this behalf.

The CLIENT accepts to comply with RS WEALTH 's requirement of payment of Margin/ settlement obligations immediately failing which RS WEALTH may sell, dispose, transfer or deal in any other manner the securities/commodities already placed with it as Margin or square-off all or some of the outstanding F&O positions of the CLIENT as it deems fit at its sole discretion without further reference to the CLIENT and any resultant or associated losses that may occur due to such square-off/ sale shall be borne by the CLIENT and RS WEALTH shall be fully indemnified and held harmless by the CLIENT in this behalf at all times

Physical delivery and cash settled contracts in commodity segment - RS WEALTH shall square off Cash settled contracts on the expiry day (subject to changes) and physically settled contracts before 5 working days of expiry date. For any reasons positions remains open, the client is liable for the delivery settlement positions including delivery of commodity towards pay-in obligation, pay-in of funds and needs to make payment of required margin before the end of the day. RS WEALTH shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.

- E. The mark to market loss is monitored against the margins available in the trading account. The Client's margins available is total of adjusted ledger balance + Holding value of pledge securities/commodities ure margin requirement on derivative segment + Receipt of funds during the day – payment of funds during the day. RS WEALTH shall not be hold responsible for any delay, losses, brokerage, other charges, margin shortfall penalties etc.

- a. The client is notified once mark to market loss reaches to 50% of the client net- worth available in trading account.
- b. All open positions of all derivative segment and intraday products would be liquidated once mark to market loss reaches 80% of the client net-worth

available in trading account or even earlier at the sole discretion of RS WEALTH without due intimation to clients.

## 6. SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES FOR EQUITIES OR PHYSICAL SETTLEMENT OF EQUITY DERIVATIVE CONTRACT

In case the client defaults on its existing obligation which results in delivery shortage to the Exchange, the same shall be compulsory auctioned as per defined Exchange procedures from time to time.



However, in case the client defaults on its existing obligation and in the event the trade has been internally netted off at RS WEALTH, there could be internal shortages and the same shall also be handled as per the process of auction specified by the Clearing Corporations ('CC'). Hence, it may be noted that with the implementation of the NCL Circular No. NCL/CMPT/63669 dated: Aug 30th, 2024 & ICCL Circular No. 20240902-8 dated: Sep 02nd, 2024, internal auction mechanism of clearing corporation will be used for handling internal Shortages.

RS WEALTH shall not be responsible for losses to the Client on account of such shortages. Any losses to the client on this account shall be borne solely by the respective client.

#### **7. CONDITIONS UNDER WHICH CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITIONS OR BROKER MAY CLOSE EXISTING POSITIONS OF CLIENT**

In addition to the conditions as provided under the policy of right to sell securities/commodities and close out client's open position as detailed in point 5 above, RS WEALTH shall have the right to refuse to execute trades/ allow the client to take further positions and/ or close out the existing positions of client under following circumstances:

- a. As a result of any Regulatory directive/ restriction;
- b. Non-receipt of funds/ securities/commodities and/ or bouncing of cheque received from the client towards the obligation's/margin/ ledger balances;
- c. Due to technical reasons;
- d. securities/commodities breaching the limits specified by the Exchanges/ regulators from time to time
- e. In case of failure to meet margin including mark to market margins by the client;
- f. Any other conditions as may be specified by RS WEALTH from time to time in view of market conditions, regulatory requirements, internal policies etc. and risk management system;
- g. Due to any force majeure event beyond the control of RS WEALTH.

RS WEALTH shall not be responsible for any loss incurred and the client shall indemnify RS WEALTH in this regard.

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

RS WEALTH may suspend or close the trading account of the client pursuant to SEBI or any other Regulatory directive for such period as may be prescribed by the respective Regulator. RS WEALTH may further at its sole discretion and with/without information to the CLIENT, prohibit or restrict or block the CLIENT's access to the use of the web site or related services and the CLIENT's ability to trade due to market conditions and other internal policies including policy with respect to prevention of money laundering.

Trades in the account of the client during the period of such temporary suspension shall not be permitted.

Notwithstanding any such suspension/ closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure/ suspension

shall continue to subsist and binding on the client.

In case the account has been temporarily suspended at the request of the client, the account shall be reactivated only on submission of a written request for reactivation by the client.

#### **9. DEREGISTRATION OF A CLIENT**

Deregistration of the client/ Termination shall be at the sole discretion of RS WEALTH. RS WEALTH may deregister the client if the client breaches the terms and conditions of the member-client agreement or provides any false information or declarations. Further RS WEALTH may deregister the client if the client is suspected to be involved in any activities in violation of applicable Rules and Regulations. Further, the client may be deregistered due to any Regulatory directive, market conditions and other internal policies of RS WEALTH including policy with respect to prevention of money laundering. Such deregistration/termination shall not affect the rights and liabilities of the parties in respect of the transactions executed before the date of such deregistration/ termination.

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

Pursuant to SEBI and Exchange directive, Trading and/or demat account will be considered as 'Inactive account' if the client has not operated the same for continuous period of 24 months. Such inactive account will be blocked for further transactions by the client. The client has to make written request for reactivation of their account. During the blocked period if there are any debit / dues to RS WEALTH Management Pvt. Ltd. in client's account, RS WEALTH shall have the authority to liquidate the client's position to the required extent during the blocked period.



## **Policy on Handling of Good till Cancelled/Good till triggered/Good till date Orders of Client**

“Good till cancelled/Good till triggered/Good till date or any other similar type of order as offered by RS WEALTH to its clients, means such orders which enables clients to place buying and selling orders by specifying the price and also time frame for which an order would remain valid for placing on the stock exchange platform. Such type of orders once placed by the client remains valid in our system till the time it is executed or cancelled by client on his own or on the expiry of time specified by client while placing such orders. Following policy governs the framework with regard to placement

of such orders by clients:-

1. The order shall remain active in our system up to the period specified by client while placing order or up to 365 calendar days from the placement of order, whichever is lower, unless executed or cancelled by the client before expiration. After expiry of above period, such orders shall be automatically cancelled.
2. In the event of a corporate action declared by a corporate with regard to the scrip for which such order is placed by client, RS WEALTH shall not modify/cancel such unexecuted orders on its own.
3. RS WEALTH shall inform the clients on his registered email id at least one day prior to the ex-date of corporate action, regarding corporate action announced by corporates, in case client has any such unexecuted/pending order in our system.
4. On receipt of information about corporate action, clients are advised to review their unexecuted/pending orders in our system and take appropriate action such as cancellation/modification of unexecuted/pending orders subject to the conditions regarding margin/order placement rules as applicable.
5. Clients are advised that GTC/GTT/GTD/any other similar nature of orders. carry certain risks, including but not limited to the potential for execution at unexpected prices due to market movements or corporate actions. Clients are encouraged to regularly review and manage their open orders.
6. In case, client suffers any loss due to execution/non-execution of such orders, RS WEALTH R shall not be held responsible for the same.
7. There may be time to time updation in the policy, clients are advised to visit our website for updated policy details.

## FACILITY OF VOLUNTARY BLOCKING/FREEZING OF THE ONLINE ACCESS OF TRADING ACCOUNT BY CLIENT

In order to enhance the online security of client account, we provide the facility to clients to freeze the online access of their trading account, in case any suspicious activity is observed in his trading account.

The freezing shall be applicable to all modes of online access to the client account which includes, internet based trading/mobile app/any other online access.

In order to receive request from client for freezing of online access to client account, we provide below two methods to receive request from the client:-

- a) Online request by client through link provided on website or
- b) Email by client from its registered email id to the following designated email id along with his name and UCC code, with a request to freeze online access of his account.

[stoptrade@rswealth.in](mailto:stoptrade@rswealth.in)

### Steps for online freezing of client account as per request of client:-

Steps for client:-

1. Client shall send the request for online freezing of client account through link provided on website or by sending email from its registered email id, along with his name and UCC code, to our designated email id, in case any suspicious trading is observed in his account.
2. The above freeze shall result into only blocking of online access of client account and other facility like, call and trade etc. shall be available with client to trade in his account.
3. Client may unfreeze online access of his account after following due process as mentioned hereinafter.

Steps for RS Wealth :-

1. On receipt of request from client, RS Wealth shall validate that request has been received from client.
2. Cancel all pending orders in the client account whether the same has been placed online or offline and freeze online access of client account which includes, internet based trading/mobile app/any other online access.
3. Send an acknowledgement as well as confirmation to the client's registered email id and mobile number that online access to his trading account has been frozen and his all pending orders, if any, have been cancelled along with the process of unblocking the online access.

The timelines for freezing/ blocking of the online access of the clients' trading account shall be as under: -

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account
Request received during the trading hour and within 15 minutes before the start of trading.	Within 15 minutes

The trading hour shall be as per exchange guidelines and shall be subject to change in accordance with exchange guidelines.

4. RS Wealth shall also inform the client about all open positions, if any along with contract expiry information in his account within one hour from the blocking of client account.
5. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member.
6. Process of re-enablement for online access to the client account:-
  - a. Client may request to unfreeze the online access of his account by way of any of below three modes:-
    - i. Client may request by sending email from its registered email id to [kyc@rswealth.in](mailto:kyc@rswealth.in), along with his name and UCC code or,
    - ii. Client may call from his registered mobile number to our customer care number to unfreeze the online access of his trading account or,
    - iii. Client may also send request through link provided via mail.

7. If the unblocking request is received through client's registered email or mobile number, RS Wealth shall unblock the online access of the client account after verifying the identity of the client.

If the unblocking request is received through link after providing necessary details, RS Wealth shall unblock the online access of the client account.

8. After unblocking the online access, RS Wealth shall inform the client through email and SMS that online access of his account has been unblocked.

Request received after the trading hours and 15 minutes before the end of trading.	Before the start of next trading session
--	--

1. Client agrees to set off outstanding in any of his/her/its accounts against credits available or arising in any other accounts maintained with Broker irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange or in any other Exchange and/or against the value of cash margin or collateral shares provided to Broker.
2. Client authorises the Broker not to provide Order Confirmation/Modification/Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. Client shall get the required details from contract notes issued by Broker.
3. Client authorises Broker to keep all securities which Client has given in margin including the payout securities received by Broker for meeting margin/order obligation in any of the Stock Exchanges/Clearing House/Clearing Corporation in whatever manner which may include pledging of shares in favor of bank and/or taking loan against the same or meeting margin/pay-in obligation on client's behalf or for giving the same as margin to any of the stock exchanges/ clearing house/clearing corporation or otherwise. Further, Client shall when called upon to do so forthwith from time to time provide a Margin Deposit and/or furnish additional Margin as required under the Rules and Regulations in respect of the business done by the Client and/or as agreed upon by Client with the Trading Member.
4. Client authorises broker to retain credit balance in any of his/her/its account and to use the unused funds towards his/her/its margin/future obligation at any or both the Exchanges unless the client instruct otherwise. Client also authorize broker to debit the necessary demat charges from time to time, for keeping the shares / commodities in Broker client demat beneficiary account on Client's behalf. Client also agrees to debit the charges @2% p.m., for the debit balances or delay payment charges at the rate prescribed by exchange for shortage in margin/debit balances, if any, in client's account and not settled as per the exchange requirements.
5. Client agrees and permit the stock broker to retain Securities / Commodities in their demat account for his/her/its margin/future obligations at all Exchanges, unless the client instructs the stock broker to transfer the same to his/her/its account.
6. Client agrees and permits the stock broker to consider his/her/its telephonic instructions for order placing/order modification/order cancellation as a written instruction and permit to provide all the confirmation on telephonic unless instructed otherwise in writing.
7. Client authorises the stock broker/exchange/other regulatory authority to send/dispatch contract notes/e-mail alert/other documents through e-mail on his/her/its designated e-mail address mentioned in KYC. Client shall completely rely on the log reports of dispatching software as a conclusive proof of dispatch of e-mail to the client and shall not dispute on the same.  
Non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at e-mail ID of the client.
8. Client shall inform the stock broker change of his/her/its email ID.
10. The client shall not sublet the trading terminal on any term of connectivity from his/her/its place to any other place without prior approval of stock broker.
11. The client agrees and permits the stock broker for inter-settlement transfer of securities towards settlement.
12. The client agrees and authorises the stock broker to with hold funds pay-out towards all the applicable margins and debits.
13. Client understands and permits to recover all fines/penalties and charges levied upon trading member due to client's acts / deeds or transaction
14. Client permits and authorises to debit the charges relevant with depository services from client's trading account. The client also agrees to maintain the adequate balance in his/her/its trading account/ pay adequate advance fee for the said reason.
15. Client permits and authorises the stock broker to discontinue sending contract note/other documents/details/information on client's email ID if contract notes get bounced for more than 5 times and to start sending physical documents. The client also permits and authorises to charge administrative/other charges for the same.
16. The Stock Broker may from time to time amend these terms and conditions if required, for complying with any change in Statute, Regulation or with the requirements of any competent authority without the consent of the Client.

The Stock Broker may from time to time amend the terms and

conditions with the intimate of the Client. The amended terms and conditions shall be intimated in advance to the Client by the Stock Broker at least 7 days or such other period as may be prescribed by SEBI. In case the Client continues to deal with the Stock Broker subsequent to the intimations of such amendments, the Client agrees and acknowledges that it shall be deemed that the Client is agreeable to the new clauses. However, if the Client is not agreeable to such new terms and conditions, the Client has the right to terminate the relationship with the Stock Brokers as per rights & obligation prescribed by SEBI through communication in writing subject to the meeting of the financial and other obligations under these terms and conditions or any other agreement / arrangement.

17. In case any one or more of the provisions contained in the terms and conditions becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereto
18. The Client confirms having read and understood these terms and conditions and those relating to various services and products and accepts and agrees to be bound by all the terms and conditions including those excluding /limiting the Stock Broker's and Exchange's liabilities
19. Trading in the Exchange is in Electronic Mode, based on VAST, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. Client understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/front and system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. Client shall be fully liable and responsible for any such problem/fault.

#### INTERNET TRADING - TERM AND CONDITIONS

The Stock Broker offers and/or proposes to offer the Internet Trading Service to its Clients; and the Client desires to avail of the Stock Broker's internet trading service for purchasing, selling or otherwise dealing in securities subject to the terms and conditions set out herein the client shall be deemed to have read, understood and agreed to the following terms and conditions in the event the Client avails the Internet Trading service provided by the Stock Broker:

##### 1. DEFINITIONS:

1. In these terms and conditions (including the recitals above), unless the context otherwise requires the following words shall have the following meanings:
  - (I) "Exchange Provisions" means the Rules, Byelaws, Regulations, Business Requirements, specification, handbooks, notices, circulars and resolutions of the exchange or any segments of the
  - (II) Exchange in force from time to time. "Internet Trading" means Internet based Trading through Order Routing system, being a system approved by the Exchange for enabling clients to route their order to Stock Broker over the internet.
  - (III) "Internet Trading Account Application" means the Client Registration form along with the other supporting documents submitted by the Clients to the Stock Broker to permit the Client to avail of the Stock Broker's Internet Trading Service.
  - (IV) "Internet Trading Service" or "Service" means the service offered by the Stock Broker to its clients through Internet Trading where under the clients can route their orders for purchase, sale and other dealings in Securities/Commodities through the Stock Broker's Internet Trading System.
  - "Password" means an alphanumeric code used by the Client to validate his/her username and access the Service.
  - (V) "Stock Broker's on the Internet Trading Website" means the web site hosted by the Stock Broker on the internet through which the Stock Broker offers the Internet Trading Service and includes the hardware and software used for hosting and supporting the Website or any other system through which Stock Broker offers the Internet Trading Service.
  - (VI) "Username" means an alphanumeric login identification used by the Client for accessing the Service.



## 2. INTERNET TRADING SERVICE:

The Stock Broker provides the internet Trading Service to the Client subject to these terms and conditions and the provisions of the rights & obligations of stock broker, the exchange provisions, SEBI guidelines and the terms of the Website through which Internet Trading Service is provided. The Stock Broker shall be entitled to / alter these terms and conditions and the same shall be deemed to be a notice to the Client. The use of Internet Trading acceptance by the Client of said terms and conditions including any modifications / alteration thereto.

## 3. USER NAME AND PASSWORD

- 3.1 The Client will be entitled to a username and password, which will enable him to access the Stock Broker's Internet Trading Website for availing of the Internet Trading Service.
- 3.2 The Client is aware that the Stock Broker's Internet Trading Website itself generates the initial password encrypts and passes on the password to the client. The Client agrees and undertakes to immediately change his initial password upon receipt thereof and subsequently to change his password with the period stipulated by the Stock Broker. The Client is aware that subsequent passwords are not known or available to the Stock Broker
- 3.3 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 whatsoever through the Stock Broker's Internet Trading Website using the Client's Username and/or password whether or not such person was authorized to do so.
- 3.4 The Client shall immediately inform the Stock Broker of any unauthorized use of the Client's Username or Password with full details or such unauthorized use including the date of such unauthorized use, the manner in which it was unauthorized used, the transactions effected pursuant to such unauthorized use etc.
- 3.5 The Client acknowledges that he is fully aware of and understands the risks associated with availing of a service for routing orders over the internet including the risk of misuse and unauthorized use of his username and/or password by a third party and the risk of a person hacking into the Client's account on the Stock Broker's Internet Trading Website and unauthorized routing orders on behalf of the Client through the System. The Client shall be fully liable and responsible for any and all unauthorized use and misuse of his password and/or username and also for any and all acts done by any person through Stock Broker's Internet Trading Website on the Client's username in any manner whatsoever. The Client undertakes to ensure that the password of the Client and/or his authorized representative are not revealed to any third party including employee/representative of the member.
- 3.6 The Client shall log off from the Stock Broker Internet Trading Website at any time the Client is not accessing or using the Internet Trading service and any liability incurred to the Client as a consequence of the Client not logging off the service shall borne solely by the Client.
- 3.7 Without prejudice to the provisions of Clause 3.5, the Client shall immediately notify the Stock Broker in writing with full details if:  
He discovers or suspects unauthorized access through his User name, Password or account.
  - (i) He notices discrepancies that might be attributable to unauthorised access.
  - (ii) He forgets his password or
  - (iii) He discovers a security flaw in the Stock Broker's Internet Trading Website.In any of the above events specified in clause 3.7, the Client shall immediately change his password. However, if the Client is unable to change his password by reason of his having

forgotten his password or his password having been unauthorized changed by some other person or for any other reason then the Client shall immediately request the Stock Broker in writing to discontinue his password; and there upon the Stock Broker shall block the login to discontinue the use of the Client's password and Stock Broker's Internet Trading Website shall generate a new password for the Client which shall be communicated to the Client. At no point in time shall the Stock Broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the password.

## **TECHNICAL & FUNDAMENTAL RESEARCH REPORTS ON DERIVATIVES (TFR)**

**Caution:** Trading in the capital/derivatives/currency segments using Technical Charts or Short Term Indicators involves high risk and requires skill, experience and knowledge of the capital/derivatives/currency segments.

Certain transactions including those involving Futures, options & other derivatives as well as other non-investment grade securities contain substantial risk and are not suitable for all investors. STOP LOSS ORDERS help limit loss but even placing contingent orders, such as "stop-loss" or "stop-limit" orders will not necessarily limit your losses to the intended amounts, and it is important that only a small portion of your corpus is allocated to such trading. Leverage can lead to large losses as well as gains. You may sustain a total loss of the initial margin funds and any additional funds that you deposit with us to establish or maintain a position, and you may incur losses beyond your initial investment.

## **TERMS AND CONDITIONS (TFR)**

RS Wealth Management Pvt. Ltd. will, at its discretion, provide its trading call, based on Technical and Fundamental Research as also market news to its clients either in the form of a written market commentary or research report sent in e mail, fax form, SMS or through postal or courier service. A brief extract of the TFR reports may also be sent, on enrolment, in SMS, e-mail or fax form.

## **To avail of TFR reports, clients are required to understand, confirm & accept the following:**

1. Clients have read and understood in full the terms and conditions contained in the member client agreement and risk disclosure documents provided therein. Clients are also to read and understood the important disclosures and disclaimers forming part of each report.
2. TFR reports are of general information for clients of RS Wealth Management Pvt. Ltd. They do not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of the individual clients.
3. No information published in TFR Reports constitute a solicitation or offer, or any kind of recommendation, to buy or sell any Investment instruments, to effect any transactions, or to conclude any legal act of any kind whatsoever and the risk of loss on the basis of information published in TFR reports can be substantial. Clients should, therefore, carefully consider whether such trading is suitable for them in light of their circumstances and financial resources.
4. The information published and opinions expressed are provided by RS Wealth Management Pvt. Ltd for personal use and for informational purposes only and are subject to change without notice, RS Wealth Management Pvt. Ltd makes no representation (either express or implied) that the information and opinions expressed in TFR Reports will be accurate, complete or up to date. The stated price of any securities mentioned in TFR Reports will be as of the date indicated and is not a representation that any transaction can be effected at this price. Neither RS Wealth Management Pvt. Ltd nor other persons shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in TFR Reports.
5. RS Wealth Management Pvt. Ltd will exercise due diligence in checking the correctness and authenticity of the information



contained in TFR Reports, but RS Wealth Management Pvt. Ltd or any of its affiliates or directors or officers or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in TFR Reports or any action taken on basis of TFR Reports. Price and value of the securities forming part of TFR Reports may go up or down. Past performance is not a guide for future performance.

6. RS Wealth Management Pvt. Ltd may use brand names for all or any of TFR reports. Such names would represent the brand and not the nature or feature of TFR reports.
7. TFR reports will include commentary on derivatives trading, technical, fundamental analysis and limited review of Stocks and may not be based on comprehensive or fundamental of the stocks.

RS Wealth Management Pvt. Ltd has two independent equity research groups: Institutional Equities Research Group and Private Client

1. Group. The Private Group is responsible for the preparation of TFR Reports. A designated team from the Private Research Group also prepares reports based on fundamental evaluation of companies. The views and opinions expressed in TFR Reports may or may not match or may be contrary with the views, estimates, rating, target price, of reports of the Institutional Research Group and Private Client Group dealing in fundamental research. Further, there may be a contrary view within the TFR Reports with regard to estimates, rating, target price as evaluation are based on different criteria.
2. The contents of the TFR Reports cannot be copied, reproduce, republished, uploaded, posted, transmitted or distributed for any non-personal use without obtaining prior permission from RS Wealth Management Pvt. Ltd.
3. The proprietary trading and investment businesses of the RS Wealth Group may make investment decisions that are inconsistent with the views expressed in the TFR reports.
4. RS Wealth Management Pvt. Ltd and its affiliates, officers, directors, and employees world-wide may:
  - (a) from time to time, have long or short positions in, and buy or sell the stocks mentioned in the TFR Reports or
  - (b) Be engaged in any other transaction involving such securities and earn brokerage or other compensation or have other potential conflict of interest with respect to any view and related information and opinions mentioned in TFR Reports,
5. RS Wealth Management Pvt. Ltd reserves the option to provide all or any of the TFR reports and the right to suspend or vary the whole or any part of the same for any reason, at any time at its sole discretion.
6. Clients who enroll for SMS/e-mail/Fax delivery of brief extract of TFR reports are required to read the full reports.
7. RS Wealth Management Pvt. Ltd does not guarantee completeness, error, delay, interruption or timeliness or delivery in whole or in part of any of the TFR reports or their extracts. The same is provided on an "as-is" and "as-available" basis.
8. Investors should not solely rely on the information contained in these TFR reports and must make investment decisions based on their own investment objectives, risk appetite, investment horizon, financial strength or other parameters. The client should take their own professional advice or consult SEBI registered Investment Adviser for these specific investment related advice/requirements and/or before acting on this information.

#### **ANTI MONEY LAUNDERING AWARENESS - EDUCATING CLIENTS ABOUT AML PROVISIONS**

**This is must read/ understood and to be complied by every one dealing/ desirous in dealing in Capital and / or Derivatives (including Currency Derivative/Commodity Derivative)**

1. Prevention of Money Laundering Act, 2002 (PMLA) is enacted to prevent the financing of terrorism and to prevent laundering of money i.e. to prevent legalizing or officializing or canalizing the money generated from illegal activities like drug trafficking, organized crimes, hawala rackets and other serious crimes etc.
2. PMLA is a part of the Global measures being taken by all the countries under the initiatives of United Nations.
3. It is an obligation of individual/entities to whom PMLA is applicable, to report certain kind of transactions routed through them to Financial Intelligence Unit (FIU), a department specially set up to administer PMLA under the Ministry of Finance.
4. PMLA is, inter-alia, applicable to various intermediaries which includes stock brokers, commodity brokers, sub-brokers, authorised person and depository participant etc.
5. As per PMLA the following type of transaction are to be reported to FIU: -
  - (A) All cash transactions of the value of more than ` .10 Lacs or its equivalent in foreign currency.
  - (B) All series of cash transactions integrally connected to each other which have been valued below ` . 10 Lacs or its equivalent in foreign currency where such series of transactions takes place within one calendar month.
  - (C) All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into any non monetary accounts such as demat account.
6. Any such above transaction(s), though not executed but attempted and failed are also required to be reported
7. The suspicious transaction(s) can be related to the transaction(s) under the circumstances such as: -
  - (A) Client(s) whose identity verification seems difficult or client(s) that appear not to co-operate;
  - (B) Asset management services for client(s) where the source of the funds is not clear or not in keeping with client(s) apparent standing /business activity;
  - (C) Client(s) based in high risk jurisdictions;
  - (D) Substantial increases in business without apparent cause;
  - (E) Client(s) transferring large sum of money to or from overseas locations with instructions for payment in cash;
  - (F) Attempted transfer of investment proceeds to apparently unrelated third parties;
- Businesses undertaken by offshore banks/financial services;
  - (A) Businesses reported to be in the nature of export/import of small items;
  - (B) Unusual transactions by Clients of Special Categories (CSCs).
8. Clients of Special Categories includes: -
  - (A) Non-resident client;
  - (B) High net-worth client (having annual income + net worth of more than Rs. 1 Crore);
  - (C) Trust, Charities NGOs and organizations receiving donations;
  - (D) Company having close family shareholdings or beneficial ownership;
  - (E) Civil Servant or family member or close relative of civil servant;
  - (F) Bureaucrat or family member or close relative of bureaucrat;
- close relative;
  - (A) Politician or their family member or close relative;
  - (B) Current or Former Head of State or of Governments or their family member or close relative;
  - (C) Senior government/judicial/military officers or their family member or close relative;
  - (D) Senior executives of state-owned corporations or their family member or close relative;

Companies offering foreign exchange offerings;

9. While opening the new account all the prescribed procedures of KYC and Client Identifications should strictly be followed in the context of ensuring the compliance under PMLA.
10. All the record of transaction(s) and client identifications must be preserved in a manner which can be retrieved promptly and reported to the authorities in the specified format as and when required.
11. The Clients are advised to be fully conversant with the provisions of PMLA and any amendments thereto from time to time and to co-operate with intermediaries by providing the additional information(s)/document(s), if asked for, to ensure the compliance requirements under PMLA.
12. The Client are advised to provide certain information which may be of personal nature or has hitherto never been called for such information can include documents evidencing source of funds/income tax returns/bank records etc. You are advised to co-operate with us whenever such information is sought for from PMLA perspective.
13. The Clients are advised to be vigilant and to refrain from temptation of easy monetary gains, by knowingly or unknowingly supporting the people who are involved in the activities which are endangering freedom and causing damage to the nation. The Clients are supposed to provide their active co- operation in the due compliance of the law.
14. Please visit the website of Financial Intelligence Unit ([www.fiuindia.gov.in](http://www.fiuindia.gov.in)) and Securities and Exchange Board of India ([www.sebi.gov.in](http://www.sebi.gov.in)) for any further information on the subject.

#### **Pro Disclosure**

In pursuance of SEBI Circular No. SEBI/MRD/SE/ Cir-42/2003 dated November 19, 2003, with a view to increase the transparency in the dealings between the trading member and their Clients, all trading members are required to disclose to his clients whether they do Client based business or proprietary.

This is to inform you that we do client based trading and Pro-account Trading in National Stock Exchange of India Ltd (NSE)/Bombay Stock Exchange of India Ltd.(BSE) / Metropolitan Stock Exchange of India Limited (MSEI) and The Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange (NCDEX), Indian Commodity Exchange Ltd (ICEX)

#### **Email Mobile Declaration**

Client agrees to receive communications pertaining to trading and demat account like Trade Confirmations, Contract Notes, MTM Obligation, Margin Calls, transactions and holding statement or any other communication including the call from RS Wealth etc to his/her/its mobile number/Email registered with RS Wealth . Client also aware that the Commodity Exchanges and Depository have been pursuing a process of confirming the transaction details directly to the Clients via SMS and Email alerts which they have carried out through their respective Stock Broker. Accordingly, Client accord his/her/it's consent to receive those SMS as well as Emails alerts directly from the Exchanges/Depositories. Client hereby agrees and authorizes RS Wealth to share the contact details with Exchanges/Depositories/KRAs and/or other regulatory Authority.

## FATCA & CRS TERMS AND CONDITIONS - FOR INDIVIDUAL

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income tax Rules, 1962, which require Indian financial institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our unit holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the folio(s) or any proceeds in relation thereto.

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days.

Please note that you may receive more than one request for information if you have multiple relationships with us or our group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information. It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form.

In case investor has the following Indicia pertaining to a foreign country and yet declares self to be non-tax resident in the respective country, investor to provide relevant Curing Documents as mentioned below:

<b>FATCA/ CRS Indicia observed (ticked)</b>	<b>Documentation required for Cure of FATCA/ CRS indicia</b>
U.S. place of birth	<ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a resident for tax purposes;</li> <li>Non-US passport or any non-US government issued document evidencing nationality or citizenship (refer list below); AND</li> <li>Any one of the following documents: <ol style="list-style-type: none"> <li>Certified Copy of "Certificate of Loss of Nationality or</li> <li>Reasonable explanation of why the customer does not have such a certificate despite renouncing US citizenship; or</li> </ol> Reason the customer did not obtain U.S. citizenship at birth </li> </ol>
Residence/ mailing address in a country other than India	<ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and</li> <li>Documentary evidence (refer list below)</li> </ol>
Telephone number in a country other than India	<p><b>If no Indian telephone number is provided</b></p> <ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and</li> <li>Documentary evidence (refer list below)</li> </ol> <p>If Indian telephone number is provided along with a foreign country telephone number</p> <ol style="list-style-type: none"> <li>Self-certification (in attached format) that the account holder is neither a citizen of United States of America nor a tax resident for tax purposes of any country other than India; OR</li> <li>Documentary evidence (refer list below)</li> </ol>
Standing instructions to transfer funds to an account maintained in a country other than India (other than depository accounts)	<ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and</li> <li>Documentary evidence (refer list below)</li> </ol>

List of acceptable documentary evidence needed to establish the residence(s) for tax purposes:

- Certificate of residence issued by an authorized government body\*
- Valid identification issued by an authorized government body\* (e.g. Passport, National Identity card, etc.)

\* Government or agency thereof or a municipality of the country or territory in which the payee claims to be a resident.

## FATCA & CRS TERMS AND CONDITIONS - FOR NON-INDIVIDUAL

### 1. Financial Institution (FI)

The term FI means any financial institution that is a Depository Institution, Custodial Institution, Investment Entity or Specified Insurance company, as defined.

- Depository institution: is an entity that accepts deposits in the ordinary course of banking or similar business.
- Custodial institution: is an entity that holds as a substantial portion of its business, holds financial assets for the account of others and where its income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
  - (i) The three financial years preceding the year in which determination is made; or
  - (ii) The period during which the entity has been in existence, whichever is less.
- Investment entity is any entity:
  - ✓ That primarily conducts a business or operates for or on behalf of a customer for any of the following activities or operations for or on behalf of a customer
    - (i) Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or
    - (ii) Individual and collective portfolio management; or
    - (iii) Investing, administering or managing funds, money or financial asset or money on behalf of other persons;
  - or
  - ✓ The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity described above.

An entity is treated as primarily conducting as a business one or more of the 3 activities described above, or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets of the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of :

  - (i) The three-year period ending on 31 March of the year preceding the year in which the determination is made; or
  - (ii) The period during which the entity has been in existence.

The term "Investment Entity" does not include an entity that is an active non-financial entity as per codes 03, 04, 05 and 06 (refer point 2c.)
- Specified Insurance Company: Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

• FI not required to apply for GILN:	
A. Reasons why FI not required to apply for GILN:	
Code	Sub-category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers & Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts
12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner Documented FFI



## Types of NFEs that are regarded as excluded NFE are:

a. Publicly traded company (listed company) A company is publicly traded if its stock are regularly traded on one or more established securities markets (Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange)	
b. Related entity of a publicly traded company The NFE is a related entity of an entity of which is regularly traded on an established securities market;	
c. Active NFE : (is any one of the following):	
Code	Sub-category
01	Less than 50 percent of the NFE's gross income for the preceding financial year is passive income and less than 50 percent of the assets held by the NFE during the preceding financial year are assets that produce or are held for the production of passive income;
02	The NFE is a Governmental Entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for this status if the entity functions as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFE;
05	The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
07	<p>Any NFE that fulfills all of the following requirements:</p> <ul style="list-style-type: none"> <li>It is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</li> <li>It is exempt from income tax in India;</li> <li>It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> </ul> <p>The applicable laws of the NFE's country or territory of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and The applicable laws of the NFE's country or territory of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFE's country or territory of residence or any political subdivision thereof.</p> <p>Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-</p> <p>(I) an Investor Protection Fund referred to in clause (23EA);</p> <p>(II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and</p> <p>(III) an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;</p>

### 3. Other definitions

(i) Related entity An entity is a 'related entity' of another entity if either entity controls the other entity, or the two entities are under common control For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.
<p>(ii) Passive NFE The term passive NFE means</p> <p>(1) any non-financial entity which is not an active non-financial entity including a publicly traded corporation or related entity of a publicly traded company; or</p> <p>(2) an investment entity defined in clause (1) of these instructions</p> <p>(3) a withholding foreign partnership or withholding foreign trust;</p> <p>(Note: Foreign persons having controlling interest in a passive NFE are liable to be reported for tax information compliance purposes)</p>

(iii) Passive income

The term passive income includes income by way of :

- (1) Dividends,
- (2) Interest
- (3) Income equivalent to interest,
- (4) Rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE
- (5) Annuities
- (6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income
- (7) The excess of gains over losses from transactions (including futures, forwards, options and similar transactions) in any financial assets,
- (8) The excess of foreign currency gains over foreign currency losses
- (9) Net income from swaps
- (10) Amounts received under cash value insurance contracts

But passive income will not include, in case of a non-financial entity that regularly acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.

(iv) Controlling persons

Controlling persons are natural persons who exercise control over an entity and includes a beneficial owner under sub-rule (3) of rule 9 of the Prevention of Money- Laundering (Maintenance of Records) Rules, 2005. In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, controlling person means persons in equivalent or similar positions.

Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR/MIRSD/2/2013 dated January 24, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

- (1) More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- (2) More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- (3) More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the financial institution shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settlor of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

(A) Controlling Person Type:

Code	Sub-category
01	CP of legal person-ownership
02	CP of legal person-other means
03	CP of legal person-senior managing official
04	CP of legal arrangement-trust-settlor
05	CP of legal arrangement-trust-trustee
06	CP of legal arrangement-trust-protector
07	CP of legal arrangement-trust-beneficiary
08	CP of legal arrangement-trust-other
09	CP of legal arrangement-Other-settlor equivalent
10	CP of legal arrangement-Other-trustee equivalent
11	CP of legal arrangement-Other-protector equivalent
12	CP of legal arrangement-Other-beneficiary equivalent
13	CP of legal arrangement-Other-other equivalent

- (v) Specified U.S. person – A U.S. person other than the following:
- (1) a corporation the stock of which is regularly traded on one or more established securities markets;
  - (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
  - (3) the United States or any wholly owned agency or instrumentality thereof;
  - (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
  - (5) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
  - (6) any bank as defined in section 581 of the U.S. Internal Revenue Code;
  - (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
  - (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
  - (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
  - (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
  - (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
  - (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or

(vi) Owner documented FFI

An FFI meets the following requirements:

- (a) The FFI is an FFI solely because it is an investment entity;
- (b) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
- (c) The FFI does not maintain a financial account for any non-participating FFI;
- (d) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
- (e) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 IGA, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2). Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-

(vii) Direct reporting NFE

A direct reporting NFE means a NFE that elects to report information about its direct or indirect substantial U.S. owners to the IRS

(viii) Exemption code for U.S. persons

Code Su	b-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan





### **Investor Charter – Stock Brokers**

#### **1. VISION**

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

#### **2. MISSION**

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep 'protection of investors' interest' as goal while providing service.
- v) To ensure confidentiality of information shared by investors unless such information is required to be provided in furtherance of discharging legal obligations or investors have provided specific consent to share such information.

#### **3. Services provided to Investors by stockbrokers include**

- I. Execution of trades on behalf of investors.
- II. Issuance of Contract Notes.
- III. Issuance of intimations regarding margin due payments.
- IV. Facilitate execution of early pay-in obligation instructions.
- V. Periodic Settlement of client's funds.
- VI. Issuance of retention statement of funds at the time of settlement.
- VII. Risk management systems to mitigate operational and market risk.
- VIII. Facilitate client profile changes in the system as instructed by the client.
- IX. Information sharing with the client w.r.t. relevant Market Infrastructure Institutions (MII) circulars.
- X. Provide a copy of Rights & Obligations document to the client.
- XI. Communicating Most Important terms and Conditions (MITC) to the client.
- XII. Redressal of Investor's grievances.

#### **4. Rights of Investors**

- I. Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself (including website providing mandatory information).
- II. Receive complete information about the risks, obligations, and costs of any investment before investing.
- III. Receive a copy of all completed account forms and rights & obligation document.
- IV. Receive a copy of 'Most Important Terms & Conditions' (MITC).

- V. Receive account statements that are accurate and understandable.
- VI. Understand the terms and conditions of transactions you undertake.
- VII. Access your funds in a prescribed manner and receive information about any restrictions or limitations on access.
- VIII. Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties in form of tariff sheet.
- IX. Discuss your grievances with compliance officer / compliance team / dedicated grievance redressal team of the firm and receive prompt attention to and fair consideration of your concerns.
- X. Close your zero balance accounts online with minimal documentation
- XI. Get the copies of all policies (including Most Important Terms and Conditions) of the broker related to dealings of your account
- XII. Not be discriminated against in terms of services offered to equivalent clients
- XIII. Get only those advertisement materials from the broker which adhere to Code of Advertisement norms in place
- XIV. In case of broker defaults, be compensated from the Exchange Investor Protection Fund as per the norms in place
- XV. Trade in derivatives after submission of relevant financial documents to the broker subject to brokers' adequate due diligence.
- XVI. Get warnings on the trading systems while placing orders in securities where surveillance measures are in place
- XVII. Get access to products and services in a suitable manner even if differently abled
- XVIII. Get access to educational materials of the MIs and brokers
- XIX. Get access to all the exchanges of a particular segment you wish to deal with unless opted out specifically as per Broker norms
- XX. Deal with one or more stockbrokers of your choice without any compulsion of minimum business
- XXI. Have access to the escalation matrix for communication with the broker
- XXII. Not be bound by any clause prescribed by the Brokers which are contravening the Regulatory provisions.

#### 5. Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	3 working days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading



5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade
8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	First Friday/Saturday of the month / quarter as per Exchange pre-announced schedule
10.	'Statement of Accounts' for Funds, Securities and Commodities	Monthly basis
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	21 calendar days from the receipt of the complaint

## 6. DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> <li>1. Read all documents and conditions being agreed before signing the account opening form.</li> <li>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.</li> <li>3. Read the product / operational framework / timelines related to various Trading and Clearing &amp; Settlement processes.</li> <li>4. Receive all information about brokerage, fees and other charges levied.</li> <li>5. Register your mobile number and email ID in your trading, demat and</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not deal with unregistered stock broker.</li> <li>2. Do not forget to strike off blanks in your account opening and KYC.</li> <li>3. Do not submit an incomplete account opening and KYC form.</li> <li>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.</li> <li>5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.</li> </ol>

<p>bank accounts to get regular alerts on your transactions.</p> <ol style="list-style-type: none"> <li>6. If executed, receive a copy of Demat Debit and Pledge Instruction (DDPI) However, DDPI is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting DDPI, carefully examine the scope and implications of powers being granted.</li> <li>7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT/CTT etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities/ commodities on time, as prescribed by SEBI or exchange from time to time.</li> <li>9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.</li> <li>10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (Monthly or Quarterly).</li> <li>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</li> <li>12. Retain documents for trading activity as it helps in resolving disputes, if they arise.</li> </ol>	<ol style="list-style-type: none"> <li>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.</li> <li>7. Do not opt for digital contracts, if not familiar with computers.</li> <li>8. Do not share trading password.</li> <li>9. Do not fall prey to fixed / guaranteed returns schemes.</li> <li>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.</li> <li>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments</li> </ol>
---	---

Additionally, Investors may refer to Dos and Don'ts issued by MIs on their respective websites from time to time.



## 7. Grievance Redressal Mechanism

The process of investor grievance redressal is as follows:

1.	Investor complaint/Grievances	<p>Investor can lodge complaint/grievance against stock broker in the following ways:</p> <p><u>Mode of filing the complaint with stock broker</u></p> <p>Investor can approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 21 days of the receipt of the grievance</p> <p><u>Mode of filing the complaint with stock exchanges</u></p> <p>i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI) (<a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a>)</p> <p><u>Two level review for complaint/grievance against stock broker:</u></p> <ul style="list-style-type: none"> <li>• First review done by Designated body/Exchange</li> <li>• Second review done by SEBI</li> </ul> <p>ii. Emails to designated email IDs of Exchange</p>
2.	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	<p>If the Investor is not satisfied with the resolution provided by the Market Participants, then the Investor has the option to file the complaint/grievance on SMARTODR platform for its resolution through online conciliation or arbitration.</p>
3.	Steps to be followed in ODR for Review, Conciliation and Arbitration	<p>1. Investor to approach Market Participant for redressal of complaint</p> <p>2. If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options:</p>

		<ol style="list-style-type: none"> <li>i. May escalate the complaint on SEBI SCORES portal.</li> <li>ii. May also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.</li> </ol> <ol style="list-style-type: none"> <li>3. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavor to resolve the matter between the Market Participant and investor within 21 days.</li> <li>4. If the matter could not be amicably resolved, then the matter shall be referred for conciliation.</li> <li>5. During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator with consent of the parties to dispute.</li> <li>6. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.</li> <li>7. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days with consent of the parties to dispute.</li> </ol>
--	--	--

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

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

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

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



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

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.
- Standard Operating Procedure (SOP) for handling of Claims of Investors in the Cases of Default by Brokers
- Claim processing policy against Defaulter/Expelled members
- List of Defaulter/Expelled members and public notice issued

## Investor Complaints Data – Stock Broker

Data for Every Month Ending

S.No	Received from	Carried forward from previous month	Received during the month	Total Pending	Resolved*	Pending at the end of the month**		Average Resolution time^ (in days)
						Pending for less than 3 months	Pending for more than 3 months	
1	Directly from Investors	0	0	0	0	0	0	0
2	SEBI (SCORES)	0	0	0	0	0	0	0
3	Exchange	0	0	0	0	0	0	0
4	Other Sources (if any)	0	0	0	0	0	0	0
5	Grand Total	0	0	0	0	0	0	0



## Trend of monthly disposal of complaints

S.No	Month	Carried forward from previous month	Received	Resolved*	Pending**
1	0	0	0	0	0
1	Apr-2021	0	0	0	0
2	May-2021	0	0	0	0
3	Jun-2021	0	0	0	0
4	Jul-2021	0	0	0	0
5	Aug-2021	0	0	0	0
6	Sep-2021	0	0	0	0
7 8	Oct-2021	0	0	0	0
9	Nov-2021	0	0	0	0
10	Dec-2021	0	0	0	0
11	Jan-2022	0	0	0	0
12	Feb-2022	0	0	0	0
13	Mar-2022	0	0	0	0
14	April-2022	0	0	0	0
15	May-2022	0	0	0	0
16	Jun-2022	0	0	0	0
17	Jul-2022	0	0	0	0
18	Aug-2022	0	0	0	0
19	Sep-2022	0	0	0	0
20	Oct-2022	0	0	0	0
21	Nov-2022	0	0	0	0
22	Dec-2022	0	0	0	0
	Jan-2023	0	0	0	0

23	Feb-2023	0	0	0	0
24	Mar-2023	0	0	0	0
25	Apr-2023	0	0	0	0
26	May-2023	0	0	0	0
27	Jun-2023	0	0	0	0
28	July-2023	0	0	0	0
29	Aug-2023	0	0	0	0
30	Sep-2023	0	0	0	0
31	Oct-2023	0	0	0	0
32	Nov-2023	0	0	0	0
33	Dec-2023	0	0	0	0
34	Jan-2024	0	0	0	0
35	Feb-2024	0	0	0	0
36	March-2024	0	0	0	0
37	April-2024	0	0	0	0
38	May-2024	0	0	0	0
39	June-2024	0	0	0	0
40	July-2024	0	0	0	0
41	Aug-2024	0	0	0	0
42	Sep-2024	0	0	0	0
43	Oct-2024	0	0	0	0
44	Nov-2024	0	0	0	0
45	Dec-2024	0	0	0	0
46	Jan-2025	0	0	0	0
47	Feb-2025	0	0	0	0

49	Mar-2025	0	0	0	0
50	Apr-2025	0	0	0	0
51	May-2025	0	0	0	0
52	Jun-2025	0	0	0	0
53	Jul-2025	0	0	0	0
54	Aug-2025	0	0	0	0
55	Sep -2025	0	0	0	0
56	Oct- 2025	0	0	0	0
57	Nov- 2025	0	0	0	0

\*Should include complaints of previous months resolved in the current month, if any. \*\*Should include total complaints pending as on the last day of the month, if any. Average resolution time is the sum total of time taken to resolve each complaint in the current month divided by total number of complaints resolved in the current month.

### Trend of Annual disposal of complaints

S.No.	Year	Carried forward from previous year	Received during the year	Resolved during the year	Pending at the end of the year
1	2017- 18	0	0	0	0
2	2018- 19	0	0	0	0
3	2019- 20	0	0	0	0
4	2020- 21	0	0	0	0
5	2021- 22	0	0	0	0
6	2022- 23	0	0	0	0
7	2023- 24	0	0	0	0
8	2024-25	0	0	0	0
9	2025-26	0	0	0	0
10	GrandTotal	0	0	0	0



## **Filing Complaints on SCORES (SEBI) – Easy & Quick**

**a. Register on SCORES Portal (SEBI)**

**b. Mandatory details for filing complaints on SCORES:**

i. Name, PAN, Address, Mobile Number, E-mail ID

**c. Benefits:**

i. Effective Communication

ii. Speedy redressal of the grievances

<https://scores.sebi.gov.in>