

Client Copy

**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS
AS PRESCRIBED BY SEBI AND STOCK EXCHANGES**

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

CLIENT INFORMATION

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

MARGINS

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

TRANSACTIONS AND SETTLEMENTS

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

BROKERAGE

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

LIQUIDATION AND CLOSE OUT OF POSITION

19. Without prejudice to the stock 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.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

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

TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock 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.
29. In the event of demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or/ withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade

number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the 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, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.

46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/ notices issued thereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/ regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, 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.

**INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT
(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

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

THE CLIENT HEREBY AGREE TO THE BELOW MENTIONED

1. E-BROKING SERVICES AND DIAL TRADE SERVICES

Stock broker offers/intends to offer broking through the internet or other service through web site www.mpseindia.in (the web-site). The said web-side is owned and maintained by **MPSE SECURITIES LIMITED**. Stock Broker also offers / intends to offer Dial and Trade services to the Client. Electronic broking services or dial and trade services or any other services through electronic mode shall be referred to as E-broking services. Before availing of the E-Broking services the Client shall complete registration process as may be prescribed from time to time. The client shall follow the instructions given in the web-site for registering himself as a client. Such formalities will include selection of used id, passwords, basic client information etc.

1.1 Definitions

- 1.1.1 "Exchange Provisions" means the Rules, Bye-laws, Regulations, Business Requirement, Specifications, handbooks, notices, circulars and resolutions of the Exchange or any segment of the Exchange in force from time to time and includes the Minimum Requirements Handbook for ITORS prescribed by the Exchange, as amended from time to time.
- 1.1.2 "E-Broking" means Internet based Trading through Order Routing System (ITORS), being a system approved by the Exchange for enabling clients to route their orders to their Stock Broker(s) over the internet.
- 1.1.3 "E-Broking Account Application" means the application submitted by the Client to the Stock broker to permit the Client to avail of the Stock broker's E-Broking Service.
- 1.1.4 "E-Broking Service" or "Service" means the service offered by the Stock broker to its clients through Website where under the clients can route their orders for purchase, sale and other dealings in securities through the Stock broker's Website.
- 1.1.5 "Stock broker's E-Broking system" or "Stock broker's E-Broking Website" means the web site hosted by the Stock broker on the internet through which the Stock broker offers the E-Broking Service and includes the hardware and software used for hosting and supporting the Website.
- 1.1.6 "Password" means an alphanumeric code used by the Client to validate his/her username and access the Service.
- 1.1.7 "SEBI" means the Securities & Exchange Board of India.
- 1.1.8 "Username" means an alphanumeric login identification used by the Client for accessing the Service.

1.2 User Name and Password

- 1.2.1 Stock broker will provide the Client with a username, a trading password and customer user identification number and or other identification or security code (by whatever name called) which enable him to avail of the facilities of E-broking through the stock broker's Web site over the telephone or in any such other manner as may be permitted by the Stock Broker for availing of the services. All terms regarding the use, reset and modification of such password shall be governed by information on the web-site.
- 1.2.2 The client is aware that the Stock Broker's system itself randomly 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. The client is aware that the subsequent passwords also are not known or available to the Stock Broker.
- 1.2.3 The services on the Web site shall be available to the registered user subject to the terms and conditions mentioned thereof.
- 1.2.4 The client shall be responsible for keeping the Username and trading password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Website using the Client's username and/or trading password whether or not such person was authorized to do so.
- 1.2.5 Without prejudice to the presents in the aforesaid clauses, the Client shall immediately inform the Stock Broker of any unauthorized use or suspicion of such unauthorized use of the username, customer user identification number and password with full details of such unauthorized use including the date of such unauthorized use, the manner in which it was unauthorised used, the transactions effected pursuant to such unauthorized use, etc.
- 1.2.6 The client acknowledges that he is fully aware of and understands the risks associated with availing of Ebroking services through the internet including the risk of misuse and unauthorized use of his Username and/or trading password, T -pin number by a third party and the risk of a person hacking Into the Client's trading account on the Website and unauthorised routing of trade orders on behalf of the Client through the system. The client agrees that he shall be fully liable and responsible for any and all unauthorized use and misuse of his trading password and/or username/T-pin number and also for any and all acts done by any

person through the Website using the Client's username in any manner whatsoever. Further 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 use and misuse of the trading password and/or the Client username.

1.2.7 Without prejudice immediately to the provisions of above Clause the Client shall Immediately notify the Stock broker in writing with full details if :

1. He discovers or suspects unauthorised access through his, Username, Password or account,
2. He notices discrepancies that might be attributable to unauthorised access,
3. He forgets his password; or
4. He discovers a security flaw in the Stock broker's E-Broking System.

1.2.8 In any of the above events, 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 unauthorisedly changed by some other person or for any other reason then the Client shall Immediately request the Stock broker in writing to discontinue his old Password; and thereupon the Stock broker shall cause the Stock broker's E-Broking system to discontinue the use of the Client's old Password and the Stock broker's EBroking system shall generate a new Password for the Client which shall be communicated to the Client. At no point of 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.

1.2.9. The client shall be responsible for keeping the username, customer user identification number, T-pin number 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 system using the client's username, customer user identification number and password whether or not such person was authorized to do so. The client shall ensure that he is the only authorised user of username, customer user identification number, T-pin number and password. The stock broker shall be entitled to presume that any orders or instructions entered or communicated using the client's username, customer user identification number, T -pin number and password is the client's own order or instruction or that of the client's duly authorized representative. The client will be fully responsible and liable for, and will pay or reimburse to the stock broker on demand all costs, charges, damages and expenses incurred by the stock broker as a consequence of access and/or use of client's account, stock broker's system or service by any third party using the client's user name, customer user identification number, T-pin number and password.

1.2.10. The Client shall log off from the Website at any time the Client is not accessing or using the service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall be borne solely by the Client.

2. TRADING, SETTLEMENT AND ACCOUNTS

- 2.1 The client agrees that all orders placed by him for securities & derivatives through the web-site shall be within the parameters defined and mentioned in the terms and conditions specified in the Web-site.
- 2.2 The client agrees that all orders placed through the web-site shall be forwarded by the system to Exchange. All orders placed otherwise than through the web-site shall be forwarded to the system of the Exchange through the Exchange terminals or any other order execution mechanism at the discretion of the Stock Broker.
- 2.3 All orders for purchase, sale or other dealings in securities and other instructions routed through the Stock brokers Website or otherwise via the Client's username shall be deemed to have been given by the Client.
- 2.4 Online confirmation will be available to the client upon execution or cancellation of an order placed by him through the Stock Broker's system. This shall be followed by a confirmation which may be sent by postal mail or courier or electronic mail or SMS or any other electronic means after the execution of the order, trade and this shall be deemed to be valid delivery thereof by the Stock Broker. It shall be the responsibility of the client to review, immediately upon receipt, whether delivered to him online, by postal mail or by courier or by electronic mail or any other electronic means all confirmation of orders, transactions, or cancellations. It shall be the responsibility of the client to follow up with the Stock Broker for all such confirmations that are not received by him within stipulated time.
- 2.5 The Stock Broker may from time to time impose and vary limits on the orders that the Client can place through the Stock broker's Website (including exposure limits, turnover limits, as to the number, value and/or kind of securities in respect of which orders can be placed, the companies in respect of whose securities orders can be placed, etc.,). The Client is aware and agrees that the Stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Stock broker's risk perception and other factors considered relevant by the Stock broker and the Stock broker may be unable to Inform the Client of such variation, reduction or imposition in advance. The Client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the Stock broker's Website on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities through the stock broker.

- 2.6 The client shall bring any errors in any report, confirmation or contract note on executed trades (including execution prices, scripts or quantities) to the Stock Broker's notice in writing by an electronic mail or fax within seven working days of receipt of the concerned report, confirmation or contract note. Any other discrepancy in the confirmation or account shall be notified by the client to the Stock Broker in writing via electronic mail or fax within seven working days of receipt of the concerned report, confirmation or contract note. Any other discrepancy in the confirmation or account shall be notified by the client to the Stock Broker in writing via electronic mail or fax within seven working days from the time of the receipt of the first notice. In all cases the Stock Broker shall have a right to accept or reject the client's objection.
- 2.7 There may be a delay in the Stock Broker receiving the reports of transaction, status, from the respective exchanges or other persons in respect of or in connection with which the stock broker has entered into contracts or transactions on behalf of the clients. Accordingly the stock broker may forward to the client late reports in respect of such transactions that were previously unreported to him as been expired, cancelled or executed. The client shall not hold the Stock Broker responsible for any losses suffered by the client on account of any late reports, statements or any errors In the report/statements computed by or received from any exchange.
- 2.8 The client agrees that if, in any circumstance or for any reason, the market closes before the acceptance of the Order by the Exchange, the Order may be rejected. The client agrees further, that the Stock Broker may reject orders if the same are rejected by the Exchange for any reason. In case of rejection of an order due to rejection by the Exchange, the client agrees that the order shall remain declined and shall not be reprocessed, in any event.
- 2.9 The Stock Broker may, at its sole discretion, reject any order placed on the web-site or in any other manner due to any reason, including but not limited to the non-availability of funds in the trading account of the client, nonavailability of securities in the Demat account of the client with a designated depository participant, insufficiency of margin amount if the client opts for margin trading, suspension of scrip-specific trading activities by or on an Exchange and the applicability of circuit breaker to a scrip in which orders are placed.
- 2.10 The client is aware that the Stock Broker may provide a facility for reconfirmation of orders, which are larger than those specified by the Stock Broker's risk management, and is also aware that the Stock Broker has the discretion to reject the execution of such orders based on such risk perception.
- 2.11 The client agrees further that the Stock Broker shall have the right to reject any order placed by the client for any reason. The client agrees further that the stock broker shall have right to reject order for "penny stocks" which inter alia may includes list of illiquid securities issued by the Exchanges every month/quarter.
- 2.12 The client agrees that, if the order is not accepted on the web-site for any reason, the Stock Broker shall have the right to treat the order as having lapsed.
- 2.13 The client is aware that the electronic trading systems either at the Exchange or in the Stock Broker's offices are vulnerable to temporary disruptions, breakdowns or failures. In the event of non-execution of trade orders or trade cancellation due to the happening of such events or vulnerabilities due to failure / disruption / breakdown of system or link, Stock Broker shall be entitled to cancel relative contract(s) with the Client and shall not be able to execute the desired transactions of the client(s). In such event the Stock Broker does not accept responsibility for any losses incurred/that may be incurred by the Client due to such eventualities which are beyond the control of the Stock Broker.
- 2.14 The Stock Broker, may at its sole discretion permit execution of orders in respect of securities, irrespective of the amount in the balance of the account of the client.
- 2.15 The client agrees to abide with and be bound by all the Rules and Circular that the Stock Broker may issue from time to time, and all rules, regulations and bye-laws of the Exchange as are in force pertaining to the transactions on his behalf carried out by the Stock Broker and the orders placed by him on the web-site or any other manner.
- 2.16 The systems used by the Stock Broker for providing e-broking services or dial up services are generally capable of assessing the risk of the client as soon as the order comes in. However, due to any reason whatsoever if the order is processed without sufficient risk cover from the client, client shall be bound by such trade and shall provide such sum as may be required to meet his liability under the trade.
- 2.17 The client shall provide to the Stock Broker, a power of attorney authorizing the Stock Broker to debit/credit/pledge the client's depository accounts through its authorized personnel, to the extent of the transactions conducted by the client and any amount due and payable to the Stock Broker.
- 2.18 The client shall authorize the Stock Broker to debit/credit his bank account in the manner as per procedure laid down in the terms and conditions and as per practices followed by the designated bank in this regard.
- 2.19 The Client also authorizes the Stock Broker to debit charges payable to depository participant for depository services to the trading account of the client maintained with the Stock Broker.
- 2.20 The client agrees that orders, instructions and other communications given or made over the telephone may be routed through the stock broker's interactive voice response or other telephone system may be recorded by the stock broker. The client also agrees that such recording and the stock broker's records of any orders, instructions

and communications given or made by the client or the stock broker by electronic mail, fax, or other electronic means shall be admissible as evidence and shall be final and binding evidence of the same.

- 2.21 The client agrees to provide information relating to customer user identification number T-pin number and such other information as may be required while placing orders on the telephone to determine the identity of the client. Provided however that nothing prevents the Stock Broker from accepting instructions from the Client over phone without usage of T-pin number and such acceptance of instruction by the Stock Broker shall be binding on the Client.
- 2.22 The orders and instructions and all contracts and transaction entered into pursuant thereto and the settlement thereof will be in accordance with the Exchange Provisions.
- 2.23 Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on the stock broker's Website, the stock broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.
- 2.24 The client agrees that the Stock broker may, at its sole discretion, subject any order placed by a client to manual review and entry, which may cause delays in the processing of the clients order or may result in rejection of such order.
- 2.25 In case of a market order, the Client agrees that he will receive the price at which his order is executed by the exchange's computer system; and such price may be different from the price at which the security is trading when his order is entered into the stock broker's website.
- 2.26 The Client agrees and undertakes to immediately deposit with the Stock broker such cash, securities or other acceptable security, which the Stock broker may require as margin. The Client agrees that the stock broker shall be entitled to require the Client to deposit with the stock broker a higher margin than that prescribed by the Exchange. The stock broker shall also be entitled to require the Client to keep permanently with the stock broker a margin of value specified by the stock broker so long as the Client desires to avail to the stock broker's E-Broking system.
- 2.27 The Client understands and agrees that the Stock broker may discontinue his E-Broking Service in part or in its entirety and change the terms of the Service (including the terms on the Stock broker's E-Broking Website) at any time and from time to time, without prior notice.
- 2.28 Any and all instructions issued by an authorised representative of the client shall be binding on the client in accordance with the letter authorising the said representative to deal on behalf of the client. All authentication of the authority of a client to instruct Stock Broker to deal on behalf of the client shall be determined by the terms in this regard mentioned on the web-site.
- 2.29 Cancellation or modification of the requests.
 - 2.29.1 Cancellation or modifications of an order pursuant to the clients request in that behalf is not guaranteed. The order will be cancelled or modified only if the clients request for cancellation and modification is received and the order is successfully cancelled or modified before it is executed. Market orders are subject to immediate execution wherever possible.
 - 2.29.2 The clients shall not be entitled to presume an order having been executed, cancelled or modified until a confirmation from the Stock Broker is received by the client. However due to technical / other factors the confirmation may not be immediately transmitted to or received by the client and such a delay shall not entitle the client to presume that the order has not been executed cancelled or modified unless and until the stock broker has so confirmed in writing.
 - 2.29.3 The Exchange may annul a trade suo-moto without giving a reason in the event of such annulment, the Stock broker shall be entitled to cancel the relative contract(s) with the client
 - 2.29.4 All the pending orders are cancelled by the exchange, after the market is closed for the day.
- 2.30 The Stock Broker shall issue contract notes in terms of the SEBI (Stock Brokers and Sub-Brokers) Rules and Regulations, 1992 within twenty four hours of the execution of the trade. Such contract note, if issued in physical form, shall be dispatched by the Stock Broker by courier/post or through any other medium of communication specified in the terms and conditions mentioned on the web-site, at the address mentioned in this agreement or at any other address expressly informed to the Stock Broker by the client. The Client permits the Stock Broker to issue the contract note in digital form. The Stock Broker shall not be responsible for the non-receipt/bounce of the trade confirmation / digital contract note / statement of accounts due to any change in the correspondence address of the client not intimated to the Stock Broker in writing. The Client is aware that it is his responsibility to review the trade confirmations, the contract notes or the bills immediately on their receipt. All information contained therein Shall be binding upon the Client, if the client does not object in writing to any of the contents of such trade confirmation / intimation within 7 working days to the Stock Broker.
- 2.31 The Stock broker may allow/disallow client from trading in any security or cases of securities or derivatives contracts and impose such conditions for trading as it may deem fit from time to time.

3. DEMAT ACCOUNT FOR ONLINE CLIENTS

- 3.1 The client agrees to open, maintain and operate a valid demat account with the depository participant designated by Stock Broker.
- 3.2 The client agrees that the Stock Broker may require the client, at any time during the subsistence of any arrangement relating to the subject matter of these presents, to open one or more demat accounts with the depository participant designated by Stock Broker. The client agrees that the debit/credit for all the transactions may be effected in this/ these accounts.

4. BANK ACCOUNTS FOR ONLINE CLIENTS

- 4.1. The client agrees that the Stock Broker may, at any time during the subsistence of any arrangement relating to the subject matter of the presents, require the client to open one or more accounts with a designated bank. The client agrees that the debit/credit for all the transactions may be effected in this / these accounts.
- 4.2 The client agrees that the Stock Broker may reveal certain information available with the Stock Broker in the course of the arrangement with the client, to the bank with whom such client maintains bank accounts pursuant to these presents, and the client shall have no remedy therefrom.
- 4.3 The client agrees that in the event the designated bank terminates the agreement with the client in respect of the bank account maintained by the client with such designated bank, for any reason or informs the Stock Broker of any misdemeanor or transgression by the client in the operation of the account or in any other circumstance resulting in the closure or in operation of the said bank account with the designated bank, Stock Broker may, at its discretion terminate services of the client and the client shall have no remedy therefrom.
- 4.4 The Client confirms that the bank account linked to the trading account is the valid bank account of the client.

5. TYPE OF SERVICES OFFERED

The Member agrees to provide, and the Client agrees to avail of, the following services : (a) Trading facilities (b) Clearing facilities (c) Depository Services (d) Securities Lending and Borrowing Services (e) Such other services or products as so permitted by SEBI and the Exchange from time to time.

6. MARGINS

6.1 Margin of Purchase :

The MEMBER may require that the Client deposit interest-free margin of 30% of the price of the securities proposed to be purchased, unless the Client already has an equivalent credit with the Member.

6.2 Margins on Sales :

The Member may require the Client to deposit interest free margin of 30% of the price of securities proposed to be sold, unless the Member has received the securities to be sold with valid transfer documents to the Member's satisfaction prior to such sale.

6.3 Margins in Derivatives Trading :

In the derivatives segment, the Client is liable to pay an initial margin up-front on or before creating a position. Such margin shall be decided upon by the Member or the Exchange from time to time. Further more, the Client is liable to pay (or receive daily margins depending on whether the price of the Derivatives contract moves in favor or against the position undertaken). The Client may also be liable to pay withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange from time to time. The Member is permitted in its sole and absolute discretion to collect additional margins even though not imposed by the Derivatives Segment, the Clearing House or (SEBI) and the Client shall be obliged to pay such margins.

6.4 Mark To Market Margin in Derivatives :

For derivatives contracts, the Client agrees that the Member shall raise bills on weekly basis. The Client also agrees to pay an upfront margin at the beginning of each week that will be sufficient to cover the daily margins for the entire duration of the week. If at any time during the week, the cumulative Mark to Market (MTM) margin falls short of the margin available in the Client's account, the Client agrees to heed the Member's additional margin calls. As the upfront weekly margin calls are purely for operational convenience, the Client will ensure that margins are adequate at all times and will immediately make good any shortfall that the Member may communicate.

6.5 Payment through Cheque :

In case where the payment by the Client towards the margin is made through a cheque issued in favour of the Member, any trade(s) would be executed by the Member only upon the realisation of the funds of the said cheque or at the discretion of the Member.

6.6 Margin in form of Securities :

The Client may place margin with the Member in form of securities as approved by the Member. Such securities may at the discretion of the Member be marked as lien in favour of the Member from the depository account of the Client or such securities may be placed in a separate depository account title "MPSE Securities Ltd." To be earmarked as margin from the Client. The Client agrees and authorise the Member to determine the market value of securities placed as Margin after applying a haircut that the Member deems appropriate. The Client's positions

are valued at the latest market price available ('marked to market') on a continuous basis by the Member. The Client undertakes to monitor the adequacy of the collateral and the market value of such securities on a continuous basis. If due to price fluctuations, there is erosion in the value of the margins, the Client agrees to replenish any shortfall in the value of the Margins immediately, whether or not the Member intimates such shortfall.

6.7 Type of Margin :

The Member may at its sole discretion prescribe the payment of Margin in the form of cash instead of securities. The Client accepts to comply with the Member's requirement of payment of Margin in the form of cash immediately falling which the Member may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin or square off all or some of the positions of the Client as it deems fit in its 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 the Member is hereby fully indemnified and held harmless by the Client in this behalf.

6.8 Margin :

The client agrees that any securities placed by client as Margin or for any other purpose with the Member, at the discretion of Member may be placed with Exchanges / Clearing Houses and clearing corporations / Banks / other financial Institutions for the purpose of availing facilities for my/our trades/positions in a manner as permitted by the exchanges /SEBI. The above authorization is for my/own trades/positions and not for any other client.

6.9 Shortfall in margins :

6.9.1 If payment/securities towards the Margin or shortfall in Margin is not received Instantaneously to enable restoration of sufficient Margin in the Client's account, all or some of the positions of the Client as well as the securities placed as Margin may be liquidated by the Member at its sole discretion, without any reference or prior notice to the Client. The resultant or associated losses that may occur due to such squaring off or sale of securities shall be borne by the Client. and the Member is hereby fully indemnified and held harmless by the Client in this behalf. Such liquidation or close out of positions shall apply to any segment in which the Client does business with the Member.

6.9.2 The Client is responsible for all orders, including any orders that may be executed without the required Margin in the Client's account. If the Client's order is executed despite a shortfall in the available Margin, the Client shall, whether or not the Member intimates such shortfall in Margin to the Client, instantaneously make up the shortfall either through delivery of shares in the event of a sale or credit the required funds in the bank account via wire or personal cheque, cashier's cheque or money order or account transfer or any other mode.

6.9.3 Any reference in these terms to sale or transfer of securities by the Member shall be deemed to include sale of the securities, which form part of the Margin, maintained by the Client with the Member. In exercise of the Member's right to sell securities under the Agreement, the Client agrees that the choice of specific securities to be sold shall be solely at the Member's discretion.

6.9.4 Any amendment in the percentage of margins as required to be maintained under this agreement, shall be intimated by the Member to the Client over telephone or in writing. The Client is required to make replenish the shortfall in such margins, if any, on demand of the same by the Client.

7. MAINTENANCE OF TRADING ACCOUNT

7.1 The client has requested and hereby authorizes the Stock Broker to consider his account with the Stock Broker and/ or its group/ associated companies / sister concerns on a consolidate basis for the purpose of determining collection/ payment of dues with respect to funds and securities due to/due from Stock Broker and/or its group / associated companies/sister concerns. The client has represented that this will facilitate him in day-to-day operations in movement of funds and securities. The Client has represented that he has given similar instructions to the group/associated companies / sister concerns of the Stock Broker. In consideration of Stock Broker agreeing to this ,the Client agrees that if any amount is overdue from/to him including the interest on delayed payment, the same shall be adjusted by the Stock Broker from dues owed to the Client by/from any of the group or affiliated/ associate/sister company of the Stock Broker. Furthermore, any money owed by/ from any group or affiliated / associate / sister company of the Stock Broker to/from the client shall be offset against the dues owned by the client to/from the Stock Broker. Thus the client authorizes the Stock Broker to make adjustments and/or to set off a part or whole of the securities placed as margin / collateral, and / or any credit in any account of the Client so sister company of the Stock Broker against the outstanding dues in any of the account maintained by the Clients either with the Stock Broker or with any of its group / affiliated / associate / sister companies. This authorization shall be treated as standing authorization and any entry passed or adjustments done by the Stock Broker and its group/associated companies/sister concerns to give effect to this authorization shall be binding on the Client. The Client understands and confirms that this authorization forms basis for Stock Broker to give trading limits and for any other facilities offered by the Stock Broker to the Client. Merely on the ground that the Stock broker is required to maintain segments / brokerwise / entitywise account of the Client, the client shall not dispute such entries passed by the Stock Broker. For the purpose of giving effect to this clause, the Client expressly permits the Stock Broker to share information relating to the Client with its group / associated companies/sister concerns.

7.2 The Client authorizes the Stock Broker to maintain the trading account on a running account basis with respect to funds and securities. Exchange(s) require the Stock Broker to maintain the client account for each Exchange/segment separately. For this purpose Stock Broker may allocate the payment received from client and payments made to the client to any of the account of the client for any exchange/segment. Similarly the client authorizes the Stock Broker to pass such entries to adjust the debit/credit balance of the client In trading account one Exchange segment to the other or vice-versa. The client also authorizes the Stock Broker to maintain consolidated account of the client to facilitate the day-to-day operations. Such consolidation and segregation of client account as maintained by the Stock Broker shall be binding on the client. Without affecting the generality of the aforesaid the parties hereto agree as follows -

7.2.1 Money pay in to Stock Broker: The client agrees that all payments due to the Stock Broker will be made within the specified time and in the event of any delay, the Stock Broker may refuse, at their discretion, to carry out transactions on behalf of the client. The client agrees that alternatively, the Stock Broker may, at their sole discretion, square off such transactions or closeout the position and the costs/losses if any, thereof shall be borne solely and completely by the client. All payments made to the Stock Broker shall be from the account of client and shall not be from any third party.

7.2.2 Money payout by Stock Broker: Notwithstanding anything contained in any other agreement or arrangement, if any, between the parties hereto, the client hereby authorises the Stock Broker to release all payments due to him from the trading account maintained with the Stock broker, against specific request in that behalf made in the manner and following the procedure laid down in the terms and conditions. Any payment made to the designated bank account as per information available with the Stock Broker shall be deemed to be payment made to the client.

7.2.3 Securities pay in to Stock Broker: All delivery to be effected to the Stock Broker for a trade, must be made within 24 hours from the execution of the sale order or 1 day before the pay-in-date, whichever is earlier. Losses, if any, that may accrue in the event of default in completing the delivery on the Exchange by the Stock Broker as a result of any delay in the delivery by the client, shall be borne solely and completely by the client. Losses for the purposes of this clause shall include auction debits/ penalty charges. If any incurred as a result of non-delivery of securities on the settlement date on the Exchange. No third party shares will be sold through the Stock Broker or third party payment should be made to Stock Broker; and client will be solely responsible for any violation. If the client has sold any securities in anticipation of receipt of securities from the exchange against purchase in previous settlements, such sale shall be at the sole risk as to costs and consequences thereof of the client.

7.2.4 Securities payout by Stock Broker: The Stock Broker may directly credit the demat account of the client with the depository participant or maintain the securities account with the Stock Broker on running account basis. Provided that if the order placed by the client through the web-site or otherwise is for securities which are in the no-delivery period, such securities shall be credited to the trading account of the client only at the time of settlement of trades. as per the schedule of the Exchange. However. if any sum is due from the client the stock Broker may withhold the credit of securities to the demat account of the client. However the client authorizes the Stock Broker to withhold the securities to meet liabilities of client to the Stock Broker under this agreement.

7.2.5 Securities shortages in pay in and payout : The client agrees to be bound by the guidelines, including the rules pertaining to the adjustment of shortages in the client's position in securities transacted on behalf of the client. by the Stock Broker; either through orders placed through the use of the E-Broking services and dial-up services of the Stock Broker or otherwise as may be issued by the Stock Broker from time to time. In case of internal shortage of securities, any entry passed to the account of client in accordance with practice consistently followed by the Stock Broker across all its Clients shall be binding on the Client. Further incase of shortage of securities, the Client authorizes the Stock Broker to borrow shares on behalf of the Client and debit the charges for the same to the Client's account maintained with the Stock Broker.

7.2.6 Stock broker is entitled to consider any sum of money or security lying to the credit of the Client as margin received.

8. REPRESENTATIONS AND WARRANTIES

8.1 The client hereby warrants that he is capable of executing the present agreement and that the terms of the presents are not in contravention of any rights of any party with whom such client has any arrangements, at any time prior to the execution of this Agreement.

8.2 The client agrees that he is trading for his own account and shall not act as a Sub-Broker of the Stock Broker without the prior written permission of the Stock Broker and without obtaining the certificate of registration from the Securities and Exchange Board of India. (SEBI).

8.3 Though the agreement has been divided into sections governing transactions in various segments / services, the agreement shall be binding on the parties in its entirety. Entering into this agreement governing transactions in multiple segments / services shall not be a reason for disputing any transaction or account of client with the Stock Broker.

- 8.4 The client warrants that he has maintained and operates a valid account with a designated bank for execution of orders through the E-broking facilities or otherwise. The client states that he has opened / agrees to open a valid and subsisting Demat account with the depository participant.
 - 8.5 The client agrees to provide and continue to provide all details about themselves as may be required by the Stock Broker inducting but not restricted to PAN Number or Unique Identification Number (issued by SEBI) and states that all details and facts represented to the Stock Broker are true.
 - 8.6 The client represents and warrants to the Stock Broker that all the information provided and statements made in the clients account application are true and correct and are not misleading (whether by reason of omission to state a material fact or otherwise) and the client is aware that the Stock Broker has agreed to provide Stock Broker's service to the client on the basis inter alia, of the statements made in client's account application.
 - 8.7 The client is aware and acknowledges that the trading over the internet, through computers involve many uncertain factors and complex hardware, software, systems, communication lines peripherals etc., which are susceptible to interruption and dislocation and the Stock Broker's services may at any time be unavailable without further notice. The Stock Broker and the Exchanges do not make any representation or warranty that the Stock Broker's services will be available to the client at all times without any interruption. The client agrees that he shall not have any claim against the Exchanges or the Stock broker on account of any suspension interruption, non availability or malfunctioning of the Stock Broker's system or service or Exchange's system or service for any reason what so ever.
 - 8.8 The Stock Broker states that it has complied with and will continuously comply and if not complied proposes to comply with all Statutory and regulatory to offer the E-Broking services through the Website: www.mpseindia.in and for dealing in cash and derivative segment of the exchange.
 - 8.9 The client warrants that all or any securities deposited by him with the Stock Broker in respect of margin requirements or otherwise, are owned by him and that the title thereof is clear and free of encumbrances.
 - 8.10 The Client understands that the Exchange asserts a proprietary interest in all of the market data it furnishes, directly or through the Stock Broker or otherwise. The Client understands that the Exchange does not guarantee the timeliness, sequence, accuracy or completeness of market data or any other market Information, or any messages disseminated by it. Neither the Stock Broker nor the Exchange shall be liable in any way for Incorrect misleading, incomplete or dated data or information and, if the Client acts on the basis of the same, he shall do so at his own risk and cost.
 - 8.11 The Client shall not furnish market information provided by the Exchange to any other person or entity for consideration or otherwise and in the event the Client uses such information he shall do so at his own risk and cost.
- 9. FEES AND BROKERAGES, DEFAULT BY THE CLIENT, TERMINATION AND ARBITRATION, etc. TERMS OF CONSIDERATION**
- 9.1 COMMISSIONS AND BROKERAGE : All commissions and charges to be levied on transactions in securities pursuant to this Agreement shall be payable as mentioned below;
 - 9.2 The Client agrees to pay the stock Brokerage, commission, fees, services tax and other taxes and transaction expenses as they exist from time to time and as they apply to the Client's account and transactions, and the services that he receives from the Stock Broker The Stock Broker shall charge brokerage to the Client at a rate as mentioned on the web-site or otherwise intimated and as may be mutually agreed and modified from time to time.
 - 9.3 A schedule of brokerage, fees and commissions, applicable service and other taxes and other transaction expenses shall be provided by the Stock broker to the Client in the contract note (including a digital contract note).
 - 9.4 USER FEES/OTHER CHARGES: The client agrees that the Stock Broker may charge user fees for the use of any other service including but not restricted to the E-Broking services and dial up services, at a rate mentioned on the web-site or otherwise intimated and as may be modified from time to time.
 - 9.5 Other Charges : The Stock Broker may charge any other relevant charge in the manner intimated on the web-site or in any other manner from time to time including but not limited to Trade Commissions, Service Tax, Turnover Charges, Tax Expenses incurred, Stamp Duty, etc., as applicable.
 - 9.6 The Client also agrees and authorizes the Stock Broker, upon receipt of intimation from the designated depository participant, to debit the trading account of the client towards depository charges payable by the client to the designated depository participants and make onward payment to the designated Depository Participant.
- 10. DEFAULT AND CONSEQUENCES THEREOF**
- 10.1 The client agrees that he shall be deemed to have defaulted the terms of this Agreement in circumstances including but not restricted to the following :
 - 10.1.1 Any delay in payment of margins, charges or delivery in respect of this agreement for transactions executed on behalf of the client.
 - 10.1.2 Any contravention of the terms contained in this Agreement or on the web site.
 - 10.1.3 Any misrepresentation or false statement or omission, or misleading information supplied by the client to the Stock Broker.

10.2 In the event of default under this agreement by the client, the Stock Broker shall be entitled to any or all of the following courses of action.

- 10.2.1 Immediate termination of this agreement and terminations of provision of services in terms of this agreement.
- 10.2.2 Other remedies as may be available in terms of law in force, at that point of time.
- 10.2.3 Arbitration in terms of this agreement.
- 10.2.4 Charge an amount that shall not exceed the actual losses incurred by the Stock Broker consequent to the default along with the interest at market rates.
- 10.2.5 The Client agrees, that without prejudice to any other remedy, the or right prescribed in the presents, the Stock Broker may charge daily interest at the rate of 2% per month or such other rate as may be communicated from time to time for any delay in the payment of charges, margin or any other sum due to the stock broker as the case may be.

11. LIEN/SET-OFF

- 11.1 Notwithstanding anything contrary contained in this-agreement, the Stock broker shall have the unrestricted right of lien and set-off as provided in this agreement.
- 11.2 All the funds of the client in the bank account (for on-line clients) shall be subject to lien for the discharge of any or all payments due to the Stock Broker from the client, or in respect of any other obligation that client may have to the Stock Broker.
- 11.3 All securities in the demat account opened in terms of this agreement with the depository participant, shall be subject to lien for the discharge of any or all payments due to the Stock Broker or to the depository participant for the client or any other obligation that the client may have to the Stock Broker or to the depository participant, and may be held by the Stock Broker as a security against default, by the client in respect of the services already availed of by the client.
- 11.4 The enforcement of the lien aforementioned in this clause shall be at the sole and complete discretion of the Stock Broker and the Stock Broker alone may decide the securities to be sold, if any.
- 11.5 The client authorizes the Stock Broker to block securities against pending order or pledge securities in favour of the Stock Broker against any of his dues, provided that this requirement may be waived by the Stock Broker; at its discretion, by suitable modification to the terms and conditions.
- 11.6 The client agrees that the Stock Broker shall have the right of setoff amongst all trading account maintained by the client with the Stock Broker.
- 11.7 The right of lien/set off as aforesaid shall extend to the trading accounts of the client with respect to transactions with the associated concerns, affiliates or sister concerns of the Stock Broker as though such accounts are maintained with the Stock Broker.

12. VERIFICATION

Stock broker may adopt any such processes or procedures to verify the genuineness of the client and the documents submitted by the client from time to time and client agrees to comply with such processes and procedures. Such processes and procedures may involve appointment by Stock Broker of an outside agency.

13. INVESTMENT OR ANY OTHER ADVICE

- 13.1 The client agrees that the Stock Broker shall not be required to provide the client with any form of legal, tax, investment or accounting related advice or advise regarding the suitability or profitability of a security or investment.
- 13.2 The client agrees that none of the services available on the web-site or through any literature or brochure issued by the Stock Broker shall amount to investment advice on the part of the Stock Broker.
- 13.3 The client also acknowledges that the Stockbrokers employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from the Stock Broker or any of its employees.
- 13.4 The Client agrees that in the event of the Stock Broker or any employee or official of the Stock Broker providing any information, recommendation or advice to the Client, the Client may act upon the same at the sole risk. and cost of the Client, and the Stock broker shall not be liable or responsible for the same.
- 13.5 The Stock Broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

14. MISCELLANEOUS

- 14.1 The singular shall include the plural where the context so admits and vice versa.
- 14.2 The masculine shall include the feminine and the neutral and vice versa.
- 14.3 The client agrees to abide by operational procedures laid down by Stock Broker regarding banking transactions, billing etc. and any changes made in these procedures from time to time and mentioned on the web site.

14.4 The Stock Broker may send bill, or any other information to the client through post / courier / electronic form or through any other medium of communication.

15. MODIFICATIONS

15.1 All modifications to this Agreement shall be made solely at the discretion of the Stock Broker and shall be initiated to the client by a suitable modification to the terms and conditions or other applicable section on the web-site or in any other manner.

15.2 The client agrees that a modification to the information in the terms and conditions section on the web-site or any other applicable section and a display of the modification for the sufficient notice to the client, to take note of such modification.

16. ASSIGNMENT

The client agrees that the Stock Broker may at any time during the subsistence of these presents, without requirement of issuing any notice to the client, assign transfer or otherwise alienate, by executing an agreement or in any other manner; all or any of its rights and/or obligation in terms of this Agreement to any person or entity including but not limited to its affiliates, associates or sister companies and the rights and obligations of the Stock Broker under this Agreement or any amendment or modification hereto shall vest and ensure for such assignee without any further act, deed, matter or thing and the client agrees to the same.

17. NO WAIVER

The failure on the part of Stock Broker from taking any action against the client for any breach or breaches of the Agreement shall not constitute a waiver by the Stock Broker of any subsequent or continuing breach thereof by the client.

18. INDEMNITY

18.1 The Stock Broker shall be indemnified by the client in case of any action initiated against the Stock Broker by any party not privy to this contract, and it shall be the duty of the client to bear out of their funds, all costs, losses and expenses which any such Stock Broker may incur or become liable to apply, by reason for any event in the course of the use of the said services of the client.

18.2 In the event of death or insolvency of the client, winding up or liquidation, or their otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, the Stock Broker may close out the transaction of the client and the client or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.

18.3 The client is aware that authentication technologies and strict securities measures are required for internet trading through order routed system and undertake to ensure that the password of the client and/or their authorised representative are not revealed to any third party. The client also agrees to indemnify the Stock Broker from any loss, injury, claim or any action instituted against the Stock Broker arising from the misuse of the password by any party.

18.4 The client shall indemnify and keep indemnified the Stock Broker harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, changes and/or expenses that are occasioned or may be occasioned to the Stock Broker directly or indirectly, as a result of bad delivery of shares / securities and/or as a result of fake/ forged/stolen shares / securities / transfer documents that are introduced or that may be introduced by or through the client during the course of his dealings/operations on the Exchange.

19. FORCE MAJEURE

The Member shall not be responsible for any losses, costs, or damages resulting directly or indirectly from :

- (1) any action, omission, suspension or trading, decision or ruling of any exchange or regulatory, governmental or other body or of any other person which is beyond the member's control (Including floor broker; exchange, dealings or clearing house).
- (2) any war, strike, lock-out, national disaster, act of terrorism, delay in postal service or any other delay or inaccuracy in the transmission of orders or other information, or any breakdown, failure or malfunction beyond the control of the member of any telecommunication or computer system;

The above Force Majeure events do not exempt the client to fulfil the obligations in his account with the client.

20. SEVERANCE

In the event of anyone or more of the provisions contained in this Agreement becomes invalid, illegal or unenforceable in any respect under any law for the time being in force, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be prejudiced or affected thereto.

21. NOTICES

All notice, correspondences or communications issued under this agreement shall be served in anyone or more of the following modes of communications and such notice or communication shall be served at the ordinary place of residence

and/or last known web address / residing address and/or at the ordinary business address of the party to this agreement such as :

- (a) by hand delivery
- (b) by post
- (c) by registered post
- (d) under certificate of posting .
- (e) by telegram
- (f) by electronic mail or fax
- (g) by affixing it on the door at the last known business or residential address.
- (h) by oral communication to the party or on the last known telephone number or on their cording machine of such number
- (i) by advertising in at least one prominent daily newspaper having circulation in the area where the last known business or residential address of the party is situated.
- (j) by notice pasted on the notice board of the Exchange if no address is known.

Any communication sent by the Stock Broker to the Client shall be deemed to have been properly delivered or served, if such communication is returned to the Stock Broker as unclaimed / refused / undelivered, if the same was sent in anyone or more of the above modes of communication to the ordinary place of residence and/or last known web address/residing address and/or at the ordinary business address of the party to this agreement.

22. TERMINATION

22.1 Unless specified otherwise, both parties shall be entitled to terminate this agreement at will and without giving any reasons to the other party but not without giving a notice in writing of not less than one month that shall be dispatched to the address mentioned in this agreement. However, such cancellation or termination shall not have any effect on any transaction(s) executed prior to the date of such notice of termination and the rights and obligations in respect of such transactions shall continue to subsist in terms of this agreement, and/ or the terms and conditions as prescribed.

22.2 This agreement shall become effective on the date first written above or the commencement of first transaction, whichever is earlier and shall remain in full force unless and until terminated.

22.3 In the event of a Governmental action or action from any regulatory authorities debarring the Stock Broker from carrying on business or rendering it impossible to transact the business or broking or E- broking, this agreement shall stand terminated.

22.4 The rights and obligations of the parties under this agreement which by their nature survive the termination of this agreement shall not be extinguished by the termination of this agreement.

23. DIGITAL CONTRACT NOTES

The client agrees that in case of digital contract notes, to be send to the designated email address specified by the client, and non receipt of bounced mail notification by trading member shall amount to delivery of contract note at the email address specified by the client.

24. PREVENTION OF MONEY LAUNDERING :

In terms of the Prevention of Money Laundering Act, 2003, The rules issued there under and guide lines / circulars issued by SEBI regarding the Anti Money Laundering, all SEBI registered intermediaries are required to formulate & implement a client identification programme, verify and maintain the record of identity & address of the client and will be required to produce prescribed documents is may be notified from time to time in order to comply with KYC Norms.

25. JURISDICTION

The stock broker and the client declare that the transactions executed on the Exchange (NSE/BSE/MCX-SX) are Subject to rules, byelaws and regulations and circulars issued there under of the Exchange (NSE/BSE/MCX-SX) and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the byelaws and regulation of the Exchange for the purpose of giving effect to the provisions of the Rules, byelaws and regulations and circulars issued there under. Subject to this Courts in indore shall have exclusive jurisdiction for the purpose of giving effect to these provision.

26. PROPRIETARY TRADING

The member discloses herewith that it undertakes proprietary trading in addition to client base trading.

27. COMPLAINT OR GRIEVANCES

For any complaint or grievances please email us at : contact@mpseindia.in

I hereby accept to the terms and conditions as mentioned herein above. (Point No. 1 to Point No. 27)

ADDITIONAL LITERATURE FOR AML REQUIREMENTS

As per the requirements of SEBI, implementation of Anti Money Laundering (AML)/ Combating Financing of Terrorism (CFT) requires trading members as intermediaries to demand certain information from investors 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. This can sometimes lead to raising of questions with regard to the motive and purpose of collecting such information. To, sensitize about these requirements as the ones emanating from AML and CFT framework, General FAQs as published by The Financial Action Task Force (FATF), an intergovernmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing is reproduced herewith. Kindly feel free to visit the websites of <http://www.fatf-gafi.org/> and <http://fiuindia.gov.in>

FAQ for more information on the subject

What is Money Laundering :

The goal of a large number of criminal acts is to generate a profit for the individual or group that carries out the act. Money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardising their source. Illegal arms sales, smuggling, and the activities of organised crime, including for example drug trafficking and prostitution rings, can generate huge amounts of proceeds. Embezzlement, insider trading, bribery and computer fraud schemes can also produce large profits and create the incentive to "legitimise" the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention. In response to mounting concern over money laundering, the Financial Action Task Force on money laundering (FATF) was established by the G-7 Summit in Paris in 1989 to develop a co-ordinated international response. One of the first tasks of the FATF was to develop Recommendations, 40 in all, which set out the measures national governments should take to implement effective anti-money laundering programmes.

How much money is laundered per year :

By its very nature, money laundering is an illegal activity carried out by criminals which occurs outside of the normal range of economic and financial statistics. Along with some other aspects of underground economic activity, rough estimates have been put forward to give some sense of the scale of the problem. The International Monetary Fund, for example, has stated in 1996 that the aggregate size of money laundering in the world could be somewhere between two and five percent of the world's gross domestic product. Using 1996 statistics, these percentages would indicate that money laundering ranged between US Dollar (USD) 590 billion and USD 1.5 trillion. The lower figure is roughly equivalent to the value of the total output of an economy the size of Spain. However it must be said that overall it is absolutely impossible to produce a reliable estimate of the amount of money laundered and therefore the FATF does not publish any figures in this regard.

How is money laundered :

In the initial - or placement - stage of money laundering, the launderer introduces his illegal profits into the financial system. This might be done by breaking up large amounts of cash into less conspicuous smaller sums that are then deposited directly into a bank account, or by purchasing a series of monetary instruments (cheques, money orders, etc.) that are then collected and deposited into accounts at another location. After the funds have entered the financial system, the second - or layering - stage takes place. In this phase, the launderer engages in a series of conversions or movements of the funds to distance them from their source. The funds might be channelled through the purchase and sales of investment instruments, or the launderer might simply wire the funds through a series of accounts at various banks across the globe. This use of widely scattered accounts for laundering is especially prevalent in those jurisdictions that do not co-operate in anti-money laundering investigations. In some instances, the launderer might disguise the transfers as payments for goods or services, thus giving them a legitimate appearance. Having successfully processed his criminal profits through the first two phases the launderer then moves them to the third stage - integration - in which the funds re-enter the legitimate economy. The launderer might choose to invest the funds into real estate, luxury assets, or business ventures.

Where does money laundering occur :

As money laundering is a consequence of almost all profit generating crime, it can occur practically anywhere in the world. Generally, money launderers tend to seek out countries or sectors in which there is a low risk of detection due to weak or ineffective anti-money laundering programmes. Because the objective of money laundering is to get the illegal funds back to the individual who generated them, launderers usually prefer to move funds through stable financial systems. Money laundering activity may also be concentrated geographically according to the stage the laundered funds have reached. At the placement stage, for example, the funds are usually processed relatively close to the under-lying activity; often, but not in every case, in the country where the funds originate. With the layering phase, the launderer might choose an offshore financial centre, a large regional business centre, or a world banking centre - any location that provides an adequate financial or business infrastructure. At this stage, the laundered funds may also only transit bank accounts at various locations where this can be done without leaving traces of their source or ultimate destination. Finally, at the integration phase, launderers might choose to invest laundered funds in still other locations if they were generated in unstable economies or locations offering limited investment opportunities.

How does money laundering affect business :

The integrity of the banking and financial services marketplace depends heavily on the perception that it functions within a framework of high legal, professional and ethical standards. A reputation for integrity is the one of the most valuable assets of a financial institution. If funds from criminal activity can be easily processed through a particular institution - either

because its employees or directors have been bribed or because the institution turns a blind eye to the criminal nature of such funds – the institution could be drawn into active complicity with criminals and become part of the criminal network itself. Evidence of such complicity will have a damaging effect on the attitudes of other financial intermediaries and of regulatory authorities, as well as ordinary customers. As for the potential negative macroeconomic consequences of unchecked money laundering, one can cite inexplicable changes in money demand, prudential risks to bank soundness, contamination effects on legal financial transactions, and increased volatility of international capital flows and exchange rates due to unanticipated cross-border asset transfers. Also, as it rewards corruption and crime, successful money laundering damages the integrity of the entire society and undermines democracy and the rule of the law.

What influence does money laundering have on economic development :

Launderers are continuously looking for new routes for laundering their funds. Economies with growing or developing financial centres, but inadequate controls are particularly vulnerable as established financial centre countries implement comprehensive anti-money laundering regimes. Differences between national anti-money laundering systems will be exploited by launderers, who tend to move their networks to countries and financial systems with weak or ineffective countermeasures. Some might argue that developing economies cannot afford to be too selective about the sources of capital they attract. But postponing action is dangerous. The more it is deferred, the more entrenched organised crime can become. As with the damaged integrity of an individual financial institution, there is a damping effect on foreign direct investment when a country's commercial and financial sectors are perceived to be subject to the control and influence of organised crime. Fighting money laundering and terrorist financing is therefore a part of creating a business friendly environment which is a precondition for lasting economic development.

What is the connection with society at large :

The possible social and political costs of money laundering, if left unchecked or dealt with ineffectively, are serious. Organised crime can infiltrate financial institutions, acquire control of large sectors of the economy through investment, or offer bribes to public officials and indeed governments. The economic and political influence of criminal organisations can weaken the social fabric, collective ethical standards, and ultimately the democratic institutions of society. In countries transitioning to democratic systems, this criminal influence can undermine the transition. Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generated it. Laundering enables criminal activity to continue.

How does fighting money laundering help fight crime :

Money laundering is a threat to the good functioning of a financial system; however, it can also be the Achilles heel of criminal activity. In law enforcement investigations into organised criminal activity, it is often the connections made through financial transaction records that allow hidden assets to be located and that establish the identity of the criminals and the criminal organisation responsible. When criminal funds are derived from robbery, extortion, embezzlement or fraud, a money laundering investigation is frequently the only way to locate the stolen funds and restore them to the victims. Most importantly, however, targeting the money laundering aspect of criminal activity and depriving the criminal of his ill-gotten gains means hitting him where he is vulnerable. Without a usable profit, the criminal activity will not continue.

What should individual governments be doing about it :

A great deal can be done to fight money laundering, and, indeed, many governments have already established comprehensive anti-money laundering regimes. These regimes aim to increase awareness of the phenomenon – both within the government and the private business sector – and then to provide the necessary legal or regulatory tools to the authorities charged with combating the problem. Some of these tools include making the act of money laundering a crime; giving investigative agencies the authority to trace, seize and ultimately confiscate criminally derived assets; and building the necessary framework for permitting the agencies involved to exchange information among themselves and with counterparts in other countries. It is critically important that governments include all relevant voices in developing a national anti-money laundering programme. They should, for example, bring law enforcement and financial regulatory authorities together with the private sector to enable financial institutions to play a role in dealing with the problem. This means, among other things, involving the relevant authorities in establishing financial transaction reporting systems, customer identification, record keeping standards and a means for verifying compliance.

Should governments with measures in place still be concerned :

Money launderers have shown themselves through time to be extremely imaginative in creating new schemes to circumvent a particular government's countermeasures. A national system must be flexible enough to be able to detect and respond to new money laundering schemes. Anti-money laundering measures often force launderers to move to parts of the economy with weak or ineffective measures to deal with the problem. Again, a national system must be flexible enough to be able to extend countermeasures to new areas of its own economy. Finally, national governments need to work with other jurisdictions to ensure that launderers are not able to continue to operate merely by moving to another location in which money laundering is tolerated.

What about multilateral initiatives :

Large-scale money laundering schemes invariably contain cross-border elements. Since money laundering is an international problem, international co-operation is a critical necessity in the fight against it. A number of initiatives have been established for dealing with the problem at the international level. International organisations, such as the United Nations or the Bank for International Settlements, took some initial steps at the end of the 1980s to address the problem. Following the creation of the FATF in 1989, regional groupings – the European Union, Council of Europe, Organisation of American States, to name just a few – established anti-money laundering standards for their member countries. The Caribbean, Asia, Europe and southern Africa have created regional anti-money laundering task force-like organisations, and similar groupings are planned for western Africa and Latin America in the coming years.

Source: <http://www.fatf-gafi.org/>

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

This document contains important information on trading in Equities/Derivatives Segments of the stock exchanges. All prospective constituents should read this document before trading in Equities/Derivatives Segments of the Exchanges. Stock exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges /SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

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

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

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

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

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

1. BASIC RISKS:

1.1 Risk of Higher Volatility :

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

1.2 Risk of Lower Liquidity :

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

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

1.3 Risk of Wider Spreads:

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

1.4 Risk-reducing orders:

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

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

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

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

1.5 Risk of News Announcements:

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

1.6 Risk of Rumors:

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

1.7 System Risk:

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

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

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

1.8 System/Network Congestion :

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

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

2.1 Effect of “Leverage” or “Gearing”:

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

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

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

- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

2.2 Currency specific risks:

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

2.3 Risk of Option holders:

- 1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.
- 2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

2.4 Risks of Option Writers:

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

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

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

4. GENERAL

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

**GUIDANCE NOTE - DO's AND DON'Ts FOR
TRADING ON THE EXCHANGE(S) FOR INVESTORS**

BEFORE YOU BEGIN TO TRADE

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

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
 - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
 - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange,

from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

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

For any grievance / dispute please contact **MPSE SECURITIES LIMITED** at the above address or email contact@mpseindia.in and Phone no. 0731-4008247 in case not satisfied with the response. **Please contact the concerned exchange(s) at**

Exchange Name & Address	Email ID	Phone no
NSE	ignse@nse.co.in	(022) 2659 8190
BSE	is@bseindia.com	(022) 2272 8097
MCX-SX	investorcomplaints@mcx-sx.com	(022) 6731 8933 / 9000

POLICIES AND PROCEDURES

(1) Policy for Penny Stock

Penny stocks are stocks that trade at a relatively low price and market capitalization. These type of stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depending on the market condition and Risk Management System (RMS) policy of the company the RMS department reserves the right to refuse to provide the limit in penny stocks and losses, if any, on account of such refusal shall be borne by client only.

(2) Setting up client's exposure limits

The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange / SEBI directions/ limits (such as broker level / market level limits in security specific / volume specific exposures etc.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the stock broker, or it may subject any order placed by the client to a review before its entry into the trading systems any may refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by stock broker / exchange / SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their risk perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selecting Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

3) Applicable brokerage rate

Brokerage will be charged within the limits prescribed by SEBI / Exchange.

4) Imposition of penalty/delayed payment charges

Clients will be liable to pay late Pay-in / delayed payment charges for not making payment of their pay-in / margin obligation on time as per the exchange requirement / schedule at the rate of 2% per month.

The client agrees that the stock broker may impose fines/penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client.

5) The right to sell client's securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues

Without prejudice to the stock brokers other right (including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's position without giving notice to the client for non-payment of margins or other amounts including the pay-in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities/obligations.

The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his / her / its pay-in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations/ closing out shall be charged to & born by the client. In cases of securities lying in margin account/client beneficiary account and having corporate actions like bonus, stock split, right issue etc, for margin or other purpose the benefit of shares due to received under bonus, stock split, right issue etc will be given when the shares is actually received in the stock brokers designated demat account.

In case the payment of the margin / security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit / credit for the same only on the realization of the funds from the said bank instrument etc,

at the absolute discretion of the stock broker. Where the margin / security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion.

The stock broker has the right but not the obligation, to cancel all pending orders and to sell / close / liquidate all open positions / securities / shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

6) Shortages in obligations arising out of internal netting of trades

Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation / clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- A) The Short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Payin/Payout Day. The securities delivered short are purchased from market on T+2 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- B) If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+2 day or Auction day on Exchange +10% where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.
- C) In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auctioned on cum basis or where the cum basis auction payout is after the book Closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.

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

We have margin based RMS system. Client may take exposure upto the amount of margin available with us. Client may not be allowed to take position in case of non availability / shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off / close out without giving notice due to shortage of margin / non making of payment for their payin obligation / outstanding debts.

8) Temporarily suspending or closing a client's account at the client's request

On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares / ledger balance settlement can take place. On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

9) Deregistering a client

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances :

- (i) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the client under any law in force;
- (iii) On the death / lunacy or other disability of the Client;
- (iv) If the client being a partnership firm, has any steps taken by the Client and / or its partners for dissolution of the partnership;
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker;
- (vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- (vii) If the Client is in breach of any term, condition or covenant of this Agreement;
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;

- (ix) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (xi) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

10) Inactive Client account

Client account will be considered as inactive if the client does not trade for period of one year. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares / credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive.

The client has to make written request for reactivation of their account.

Trading in Exchange is in Electronic Mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. I / we 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 end 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. I/We shall be fully liable and responsible for any such problem/fault.

11) Other Significant policies and procedures

1. Proprietary Trading

The broker does undertake proprietary trading.

2. Trading Related

- i. The relationship being established between the client and the broker shall be that of principal and agent and the broker shall be the agent of the client. The client is required to make independent enquiries and satisfy himself that he is entitled to enter into the broker client relationship with the broker in the jurisdiction in which the client resides.
- ii. The broker recommends that client places orders in writing and takes acknowledgement as per the format available from the broker, so as to avoid any future disputes. The client may also choose to place orders verbally (by visiting the branch or through telephone), through e-mail, SMSs and for through Internet based trading terminal which can be provided to the client upon requirement of client. The client may authorize his authorized representative to carry out the above whose orders shall be binding on the client.
- iii. The broker advises that it is preferable that client gives orders on the day the client desires trades, including orders for modification/cancellation. which the broker will punch in the trading system on a best efforts basis. However if client chooses to give orders in aftermarket hours than upon specific instruction of the client the broker may attempt to enter them in the trading system on the next trading day however it may not be possible in all instances to do so.
- iv. Orders given by client may or may not result in trades and the client should continuously monitor the final outcome of the order. Where orders have resulted in trades the same may or may not result in delivery and the client should continuously monitor his pay in / payout obligations.
- v. The client is aware that as an additional service measure the broker provides online access through its web portal for which client has been provided CRN login and password, client is able to go through entire trading, holding, contract note, bill and other details, download I print the same through this facility. Client must access transactions in his account on regular basis and report discrepancies if any

observed immediately to the notice of the broker so as to enable broker to take such remedial action as may be possible.

vi. No employee, sub broker, director or any other agent of the broker is authorized to give any assurances of profits, or to manage the account of the client in any discretionary manner. The client must make his own decisions regarding suitability of orders/investments and if need be rely upon his own independent advisers whether in matters of orders/trades or in the matters relating to taxation etc. Accordingly the client should not enter into any personal/private mutual understanding with any employee, sub broker, director or any other agent of the broker.

vii. The broker uses trading platforms such as ODIN/ Fast Trade etc. which are exchange approved however there is no guarantee/warranty that these are bug I glitch free and the client may in rare occasions suffer losses which he should keep in mind while dealing through the broker.

viii. Where prima-facie it appears that trading system is suffering from some problems such as incorrect positions being shown etc. the client should refrain from trading and immediately bring the problem to the notice of the broker and act only after the problem has been resolved. The client understands that any action of client in such situation without informing the broker or not acting in accordance with the directions of the broker may cause loss in his account or may cause loss to be suffered by broker I any other client due to his action, which client may need to make good.

ix. The broker may tape record conversations of the client over telephone/in person however the broker shall not be obliged to do so and absence of availability of recordings shall not render any order/transaction unenforceable against the client, in as much as the orders can be placed over mobile phones, through visiting the branch and the recorded orders are also liable to damage/erasure on account of virus/capacity overrun of the machine.

x. As a measure of risk containment the broker may subject orders of the client to prior risk control assessment (such as checking availability of margin) before allowing the same to go into the trading system.

xi. The broker may provide market research. however the same is provided without any warranty or guarantee or suitability for the client and is provided on an as is where is basis and broker recommends that client may get the same examined through his personal fanatical/legal advisers as deemed fit. The facilities/data/research shall be provided to client on as is where is basis only for personal use and all rights in the same shall exclusively rest with the broker. and client is not entitled to share it whether for consideration or otherwise with any third party without a formal written authorisation by the broker, in the event of a breach the broker shall be entitled to bring legal action against the client.

xii. The broker issues contract notes with the order number and trade number and therefore shall not be providing order confirmation and trade confirmation slips to the client.

xiii. The broker may send various information such as, documents, bills, margin statements. statement of accounts etc., to the client through any one or more of the following means i.e. post, registered post, speed post, courier, telegram, voice mail, SIBS, telephone, messages on trading platform, through word of mouth by the agents of the broker, by displaying it on the website of the broker or making it available as a download from the website of the broker, displaying it on the notice board of the branch, and where the client has provided email address. then these information may also be sent by the broker through email. The service providers such as postal authorities. Courier Company. phone / SMS service providers etc., shall be deemed to be agents of the client and the delivery of the information shall be complete when the broker delivers the communications to such service providers.

xiv. The client should review all information sent to the clients including contract notes etc. immediately upon receipt and revert to broker with discrepancy if any (including if any trades in the account are not as per client directions/ orders}as early as practicable from the receipts of the same to allow the broker to take possible remedial steps.

xv. The client shall forthwith cease trading and inform the broker in the event the client becomes ineligible to deal with the broker on account of any court, exchange or regulatory action,

xvi. The broker shall be entitled to disseminate information about defaults made by the client to third parties.

xvii. The client shall not work as a sub broker/authorised person without prior written permission of the broker and only after seeking appropriate registration with respective registering authorities.

xviii. The client shall also not deal through the broke an exchange of which the client himself is a member / Sub Broker /Authorised Person.

xix. The broker shall be entitled to maintain combined/ collective books of accounts of the client across exchanges and/or other services such as depositories etc.

xx. The records as provided by the broker through contract notes, bills, statement of accounts, statement of margin etc. shall be the official records to determine the obligations of broker and the client. Printouts taken from trading system or any such downloads etc. which are taken by the client from trading system may not give the correct picture and therefore shall not be the official record which bind the broker and the client.

xxi. The client shall upgrade to the newer versions trading software/back-office software etc: It account of changes made by the broker and/or any other service provider like depositories/ Banks.

xxii .The existence of broker client relationship does not imply that broker is liable to provide each and every service to the client, and services may not be provided in case the client does riot fulfill the necessary conditions for the same.

xxiii. Where client chooses to clear his trades through Professional Clearing Member (PCM), then the broker shall revert such trades as are not confirmed by the PCM to the client who shall be then liable to not only pay all the margins on the same but to also settle the same .

3. Payment related

i. The broker may debit charges for other services such as depository. charges on account of dishonour of cheques, charges for issuance of demand drafts, NEFT/RTGS, SMS charges. research report charges. administrative charges-offline for offline order on per executed order, minimum processing fee charges etc. to the client's account.

ii The broker does not accept cash and in no event should the client make any payments to the broker, broker's employees, broker's sub-broker/authorised persons and/or any agent of broker by cash

Client's Acceptance of Policies and Procedures stated hereinabove:

I/We have fully understood the same and agree not to call into question the validity, enforceability and applicability of any provision / clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods.

I/We agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator / mediator etc.

Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and 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 accounts"
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/ Defreezing 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.