

**Amol Financial Services Pvt. Ltd.**  
**Amol Capital Markets Pvt. Ltd.**  
**Members : NSE, BSE and MCX**

# ***KYC BOOKLET***

**CLIENT COPY**

*Dear Customer,*

*Greetings from Amol Capital Markets Pvt. Ltd. & Amol Financial Services Pvt. Ltd.*

*We would like to take this opportunity to thank you for choosing us as your investment partner and to register with Amol Capital Markets Pvt. Ltd. & Amol Financial Services Pvt. Ltd., one of India's most trusted and respected financial services group.*

*Established in 1994, we have achieved this position by maintaining the highest standards of services, while adhering to our strong principles of integrity, professional ethics and transparency. It will be our pleasure to meet your needs and offer you a hassle-free trading experience.*

*We at Amol aim at enhancing experience and simplifying processes for our customers. This Account Opening Form is another step towards the very aim - making the process of entering a new financial relationship easier.*

*We take pleasure and pride in introducing this Account Opening form as one of the in the industry.*

*Now, opening a trading account with us takes a few minutes only, leaving you more time to interact with our representative and clarify any doubts or queries that you may have.*

*We also request you to go through the Terms and Conditions booklet which will be appended with your KYC. This booklet covers the details of your relationship with us and helps you become an informed investor.*

*With this, we also urge you to write to us on - for trading and on for demat account issues, queries or feedback. We will be glad to hear from you.*

*Looking forward to a long and beneficial relationship.*

*Warm Regards,*

*Team Amol*



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## 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 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 in 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 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 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-a-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 authorised 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 or 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 'Right 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 authorised 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-tamperable 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 acknowledgment 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 email 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 and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Byelaws 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 hereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges / SEBI. Any changes in such voluntary clauses/ document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and Regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein 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 the line with norms prescribed by Exchange/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 whatsoever through the Stock broker's IBT System using the Client's User-name and/or Password whether or not such person was authorised to do so. Also the client is aware that authentication technologies and strict security measures and 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 authorised 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/unauthorised access through his username/password/account with full details of such unauthorised use, the date, the manner and the transactions effected pursuant to such unauthorised 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, communications lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.



## 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 either 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 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 on authorise 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 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 sub-stancially different from the last trade 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 contract 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 predetermined 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 a no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the predetermined 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.



17.2 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 that 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 devaluations; 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

2.3 **Risk of Option holders:**

1. An option holder runs the risk of losing the entire amount paid for the option in 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 **Risk of Option Writers:**

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

2. The risk of being an option writer may be reduce 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 experience and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

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

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

4. **GENERAL**

4.1 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.

4.2 The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.



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

### BEFORE YOU BEGIN TO TRADE

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

### TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorised 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 authorisation 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, broker shall maintain running account for your subject to the following conditions:
  - a) Such authorisation 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 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 stock 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 give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities 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 broker 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.



No interest or charges will be paid by Stock Broker to any client in respect of retention of funds or securities towards meeting future settlement obligations and in respect of running account authorisations.

**E. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues.**

The client shall fulfill all his/her/its settlement obligations and/or other liabilities to Stock Broker within the time frame stipulated by the Stock Broker or BSE/NSE, whichever is earlier.

Without prejudice to its other rights and remedies available under the member client agreement(s) executed/to be executed by and between the client and Stock Broker (hereinafter referred to as "the Agreement") or at laws, Stock Broker shall be entitled, in its sole and absolute discretion, to liquidate/close out all or any of the client's open/outstanding position, sell the client's securities (whether approved by Stock Broker or not) available with Stock Broker at any time to recover its dues without giving any notice to the client in the following circumstances:

- If the client fails to pay any margin, settlement obligations and/or other liabilities due to Stock Broker within the stipulated time frame.
- In the event that the market value of the client's securities, lying as margin or brought by the client for which payment is not made by client, for any reason fall or its anticipated to fall, or circumstances arise or are likely to arise which may in the sole opinion of Stock Broker jeopardize its interest and expose it or is likely to expose it to any financial loss damage.

Any and all losses (actual or notional), financial charges, damages on account of such liquidation/sell/closing-out shall be borne by the client only.

**F. Shortages in obligations arising out of internal netting of trades**

To determine the net obligation of a broker / trading-cum-clearing member (for securities and funds) in a settlement, clearing house does the netting of trades at the broker level. It is possible that a broker's net obligations towards clearing house may be nil but because of default by one or more clients in satisfying their obligations towards the broker, the broker internally might have shortages in fulfilling its obligation towards the other client(s). In such a situation, stock broker shall endeavor to collect the securities from the selling client and deliver it to the purchasing client within 48 hours of the settlement date. In case the selling client is unable to deliver the securities within 48 hours, then stock broker shall attempt to purchase the securities from the market and deliver it to purchasing client. If stock broker is unable to obtain the securities from the market, then the transactions will be closed out as per the auction rate prescribed by the exchange for the scrip and the closing amount will be credited to the purchasing client and same will be debited to the selling client.

In case of shortage in meeting the settlement obligation, either party shall endeavor to make good such shortage through securities / value of shortage as per the rules, regulations and bye-laws of the respective stock exchange(s).

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

Stock broker shall have absolute discretion and authority to limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following conditions:

- Extreme volatility in the market or in particular scrip or in the F&O segment.
- There is shortfall in the margin deposited by client with stock broker.
- There is insider trading restrictions on the client.
- There are any unforeseen adverse market conditions or any natural calamity affecting the operation of the market.
- There are any restrictions imposed by exchanges or regulator on the volume of trading outstanding positions of contract.
- The client is undertaking any illegal trading practice or the client is suspected to be indulging in money laundering activities.
- Stock broker has reached its limit in that scrip.
- The client has breached the client-wise limit.
- The client has taken or intends to take new position in a security which is in the banned period.
- Due to abnormal rise or fall in the market, the markets are closed.
- Failure by the client in providing sufficient / adequate margin(s) and/or insufficient / inadequate free credit balance available in client's broking account with stock broker.

**H. Temporarily suspending or closing a client's account based on the client's request.**

- Any client desirous of temporarily suspending his / her / its trading account has to give such request in writing to the management. After management's approval, further dealing in such client's account will be blocked. Whenever trade has to be resumed in any suspended client account, a request in writing should be made by the client to the management and the management may ask for updated financial information and other details for reactivating such account. After receiving necessary documents, details, etc. and approval from the management, the client account will be reactivated and transaction will be carried out.
- Similarly, any client desirous of closing his/her/its account permanently is required to inform in writing and the decision in this regard will be taken by the management. After necessary approval from the management, the client code will be deactivated. Only after scrutinizing the compliance requirements and a "no pending queries" confirmation is taken, securities and funds accounts will be settled.

**I. Deregistering a Client**

Stock Broker may, at its sole and absolute discretion, decide to deregister a particular client. The illustrative circumstances under which Stock Broker may deregister a client are given below:

- SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market.
- Such client has been indicating by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule regulation, guideline or circular governing securities market.
- Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering.
- Such client's name appears in the UN list of prohibited entities or in the SEBI debarred list.
- Such client's account has been lying dormant for a long time or the client is not traceable.
- Such client has been declared insolvent or any legal proceedings to declare his/her/its as insolvent have been initiated.
- Such client has been irregular in fulfilling obligations towards margin or settlement dues.
- Such client has a trained reputation and any business relationship with such clients in likely to tarnish the reputation of Stock Broker or may act as detriment to Stock Broker prospects.
- Under no circumstances, any action taken by Stock Broker in any of the above circumstances till the date of registration shall be challenged by the client and Stock Broker shall not be liable to the client for any loss or damage (actual/notional), which may be caused to the client as a result.

**J. Policy for Inactive clients/Dormant Account Policy**

- Any client who has not traded in any segment of BSE/NSE with Stock Broker for last six months calculated from the beginning of every financial year or such other period as may be decided by Stock Broker at its sole and absolute discretion then such client would be termed as a Dormant/Inactive client.
- The broking account of such client shall be deactivated/suspended temporarily by Stock Broker. If the client wants to activate the broking account then a request for reactivating the broking account should be sent in writing. Such request for reactivation should be accompanied along with such documentary evidence as may be specified by Stock Broker from time to time.
- If the client is tagged as a Dormant/Inactive client, then the funds/securities lying the Stock Broker may be refunded returned to the clients at his/her/its last known bank account/DP account or send at last known address of the client as per the Stock Broker record.



## 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.



## SMS ALERT FACILITY

### Terms and Conditions (Annexure - A)

#### Definitions:

In these Terms and conditions the terms shall have following meaning unless indicated otherwise:

- A. "Depository" means Central Depository Services (India) Limited a company incorporated in India under the Companies Act 1956 and having its registered office at 17th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001 and all its branch offices and includes its successors and assigns.
- B. "DP" means Depository Participant of CDSL. The terms covers all types of DPs who are allowed to open demat accounts for investors.
- C. "BO" means an entity that has opened a demat account with the depository. The terms covers all types of demat accounts, which can be opened with a depository as specified by the depository from time to time.
- D. SMS means "Short Messaging Servicing"
- E. "Alerts" means a customized SMS sent to the BO over the Said mobile phone number.
- F. "Service Provider" means a cellular service provider(s) with whom the depository has entered / will be entering into an arrangement for providing the SMS alerts to the BO.
- G. "Service" means the service of providing SMS alerts to the BO on best efforts basis as per these terms and conditions.

#### Availability:

- A. The service will be provided to the BO at his / her request and at the discretion of the depository. The service will be available to those account holders who have provided their mobile numbers to the depository through their DP. The services may be discontinued for a specific period / indefinite period, with or without issuing any prior notice for the purpose of security reasons or system maintenance or for such other reasons as may be warranted. The depository may also discontinue the service at any time without giving prior notice for any reason whatsoever.
- B. The service is currently available to the BO at who are residing in India.
- C. The alerts will be provided to the BOs only if they remain within the range of the service provider's service area or within the range farming part of the roaming network of the service provider.
- D. In case of joint accounts and non-individual accounts the service will be available, only to one mobile number i.e. to the mobile number as submitted at the time of registration / modification.
- E. The BO is responsible for promptly intimating to the depository in the prescribed manner any change in mobile number, or loss of handset, on which the BO wants to receive the alerts from the depository. In case of change in mobile number not intimated to the depository, the SMS alerts will continue to be sent to the last registered mobile phone number. The BO agrees to indemnify the depository for any loss or damage suffered by it, on account of SMS alerts sent on such mobile number.

#### Receiving Alerts:

- A. The depository shall send the alerts to the mobile phone number provided by the BO while registering for the service or to any such number replaced and informed by the BO from time to time. Upon such registration / change, the depository shall make every effort to update the change in mobile number within a reasonable period of time. The depository shall not be responsible for any event of delay or loss of message in this regard.
- B. The BO acknowledges that the alerts will be received only if the mobile phone is in 'ON' mode and in a mode to receive the SMS. If the mobile phone is in 'off' mode i.e. unable to receive the alerts then the BO may not get / get after delay any alerts sent during such period"
- C. The BO also acknowledges that the readability, accuracy and timeliness of providing the service depend on many factors including the infrastructure, connectivity of the service provider. The depository shall not be responsible for any non-delivery, delayed delivery or distortion of the alert in any way whatsoever.
- D. The BO further acknowledges that the service provided to him is an additional facility provided for his convenience and is susceptible to error, omission and / or inaccuracy. In case the BO observes any error in the information provided in the alerts. The BO shall inform the depository and / often DP immediately in writing and the depository will make best possible efforts to rectify the error as early as possible. The BO shall not hold the depository liable for any loss, damages, etc. that may be incurred / suffered by the BO on account of opting to avail SMS alerts facility.
- E. The BO authorizes the depository to send any message such as promotional, greeting or any other message that the depository may consider appropriate, to the BO. The BO agrees to an ongoing confirmation for use of name, email address and mobile number for marketing offers between CDSL and any other entity.
- F. The BO agrees to inform the depository and DP in writing of any authorized debit to his BO account / unauthorized transfer of securities from his BO account, immediately, which may come to his knowledge on receiving SMS alerts. The BO may send an email to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com). The BO is advised not to inform the service provider about any such unauthorized debit to / transfer of securities from his BO account by sending a SMS back to the service provider as there is no reverse communication between the service provider and the depository.
- G. The information sent as an alert on the mobile phone number shall be deemed to have received by the BO and the depository shall not be under any obligation to confirm the authenticity of the person(s) receiving the alert.
- H. The depository will make best efforts to provide the service. The BO cannot hold the depository liable for non-availability of the service in any manner what sever.
- I. If the BO finds that the information such as mobile number etc., has been changed without proper authorization, the BO should immediately inform the DP in writing.

#### Fees :

Depository reserves the right to charge such fees from time to time as it deems fit for providing this service to the BO.

#### Disclaimer:

The depository shall make reasonable efforts that the BO's personal information is kept confidentiality. The depository does not warranty the confidentiality or security of the SMS alerts transmitted through a service provider. Further; the depository makes no warranty or representation of any kind in relation to the system and the network or their function or their performance or for any loss or damage whenever and however suffered or incurred by the BO or by any person resulting from or in connection with availing of SMS alerts facility. The Depository gives no warranty with respect to the quality of the service provided by the service provider. The Depository will not be liable for any unauthorized use or access to the information and / or SMS alert on the mobile phone number of the BO or for fraudulent, duplicate or erroneous use / misuse of such information by any third person.

#### Liability and Indemnity:

The Depository shall not be liable for any breach of confidentiality by the service provider or by any third person due to unauthorized access to the information meant for the BO. In consideration of the depository providing the service, the BO agrees to indemnify and keep safe, harmless and indemnified the depository and its officials from any damages, claims, demands, proceedings, loss, cost, charges and expenses whatsoever which a depository may at any time incur, sustain, suffer or be put to as a consequence of or arising out of interference with or misuse, improper or fraudulent use of the service by the BO.

#### Amendments:

The depository may amend the terms and conditions at any time with or without giving any prior notice to the BOs. Any such amendments shall be binding on the BOs who are already registered as user of this service.



**Governing law and Jurisdiction:**

Providing the Service as outlined above shall be governed by the laws of India and will be subject to the exclusive jurisdiction of the courts in Mumbai.

I/We wish to avail the SMS Alerts facility provided by the depository on my/our mobile number provided in the registration form subject to the terms and conditions mentioned below. I/We consent to CDSL providing to the service provider such information pertaining to account/transactions in my/our account is necessary for the purposes of generating SMS Alerts by service provider, to be sent to the said mobile number.

I/We have read and understood the terms and conditions mentioned above and agree to abide by them and any amendments thereto made by the depository from time to time.

I/We further undertake to pay fee/charges as may be levied by the depository from time to time.

I/We further understood that the SMS alerts would be sent for a maximum four ISINs at a time. If more than four debits take place, the BO s would be required to take up the matter with their DP.

I/We am/are aware that mere acceptance of the registration form does not imply in any way that the request has been accepted by the depository for providing the service.

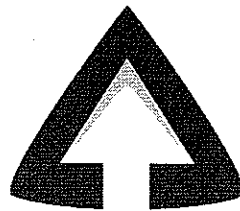
I/We provide the following information for the purpose of REGISTRATION / MODIFICATION. (Please cancel out what is not applicable).



## TRANSACTION USING SECURED TEXT (TRUST)

### Terms and Conditions (Annexure - B) Service Offered by CDSL

1. **Definitions:** In these Terms and Conditions the terms shall have following meaning unless indicated otherwise:
  - i. **"Depository"** means Central Depository Services (India) Limited (CDSL)
  - ii. **"TRUST"** means "Transactions Using Secured Texting" service offered by the Depository.
  - iii. **"Service Provider"** means a cellular service provider(s) with whom the Depository has entered / shall enter into an arrangement for providing the TRUST service to the BO.
  - iv. **"Service"** means the service of providing facility to receive/give instructions through SMS on best effort basis as per the following terms and conditions. The types of transaction that would normally qualify for this type of service would be informed by CDSL from time to time.
  - v. **"Third Party"** means the operators with whom the Service Provider is having / will have an arrangement for providing SMS to the BO.
2. The service will be provided to the BO at his / her request and at the discretion of the depository provided the BO has registered for this facility with their mobile numbers through their DP or by any other mode as informed by CDSL from time to time. Acceptance of application shall be subject to the verification of the information provided by the BO to the Depository
3. The messages will be sent on best efforts basis by way of an SMS on the mobile no which has been provided by the BOs. However Depository shall not be responsible if messages are not received or sent for any reason whatsoever, including but not limited to the failure of the service provider or network.
4. The BO is responsible for promptly informing its DP in the prescribed manner any change in mobile number, or loss of handset on which the BO wants to send/receive messages generated under TRUST. In case the new number is not registered for TRUST in the depository system, the messages generated under TRUST will continue to be sent to the last registered mobile number. The BO agrees to indemnify the depository for any loss or damage suffered by it on account of messages sent on such mobile number.
5. The BO agrees that SMS received by the Depository from the registered mobile number of the BO on the basis of which instructions are executed in the depository system shall be conclusive evidence of such instructions having been issued by the BO. The DP / CDSL will not be held liable for acting on SMS so received.
6. The BO shall be responsible for submitting response to the 'Responsive SMS' within the specified time period. Transactions for which no positive or negative confirmation is received from the BO, will not be executed except for transaction for deregistration. Further, CDSL shall not be responsible for BOs not submitting the response to the said SMS within the time limit prescribed by CDSL.
7. The BO agrees that the signing of the TRUST registration form by all joint holders shall mean that the instructions executed on the basis of SMS received from the registered mobile for TRUST shall be deemed to have been executed by all joint holders.
8. The BO agrees to ensure that the mobile number for TRUST facility and SMS alert (SMART) facility is the same. The BO agrees that if he is not registered for SMART, the DP shall register him for SMART and TRUST. If the mobile number provided for TRUST is different from the mobile number recorded for SMART, the new mobile number would be updated for SMART as well as TRUST.
9. BOs are advised to check the status of their obligation from time to time and also advise the respective CMs to do so. In case of any issues, the BO/CM should approach their DPs to ensure that the obligation is fulfilled through any other mode of delivery of transactions as may be informed / made available by CDSL from time to time including submission of Delivery Instruction Slips to the DP.
10. The BO acknowledges that CDSL will send the message for confirmation of a transaction to the BO only if the Clearing Member (registered by the BO for TRUST) enters the said transaction in CDSL system for execution through TRUST within prescribed time limit.
11. The BO further acknowledges that the BO/CM shall not have any right to any claim against either the DP or Depository for losses, if any, incurred due to non-receipt of response on the responsive SMS or receipt of such response after the prescribed time period. In the event of any dispute relating to the date and time of receipt of such response, CDSL's records shall be conclusive evidence and the Parties agree that CDSL's decision on the same shall be final and binding on both Parties.
12. The BO may request for deregistration from TRUST at any time by giving a notice in writing to its DP or by any other mode as specified by Depository in its operating instructions. The same shall be effected after entry of such request by the DP in CDSL system if the request is received through the DP.
13. Depository reserves the right to charge such fees from time to time as it deems fit for providing this service to the BO.
14. The BO expressly authorises Depository to disclose to the Service Provider or any other third party, such BO information as may be required by them to provide the services to the BO. Depository however, shall not be responsible and be held liable for any divulgence or leakage of confidential BO information by such Service Providers or any other third party.
15. The BO takes the responsibility for the correctness of the information supplied by him to Depository through the use of the said Facility or through any other means such as electronic mail or written communication.
16. The BO is solely responsible for ensuring that the mobile number is not misused and is kept safely and securely. The Depository will process requests originated from the registered Mobile as if submitted by the BO and Depository is not responsible for any claim made by the BO informing that the same was not originated by him.
17. **Indemnity:** In consideration of providing the service, the BO agrees that the depository shall not be liable to indemnify the BO towards any damages, claims, demands, proceedings, loss, cost, charges and expenses whatsoever as a consequence of or arising out of interference with or misuse, improper or fraudulent use of the service by the BO.
18. **Disclaimer:** Depository shall be absolved of any liability in case:-
  - a. There is loss of any information during processing or transmission or any unauthorized access by any other person or breach of confidentiality.
  - b. There is any lapse or failure on the part of the service providers or any third party affecting the said Facility and that Depository makes no warranty as to the quality of the service provided by any such service provider.
  - c. There is breach of confidentiality or security of the messages whether personal or otherwise transmitted through the Facility.



**Amol Financial Services Pvt. Ltd.**

**Amol Capital Markets Pvt. Ltd.**

**Members : NSE, BSE and MCX**

**NSE Code No.: 12720 | Sebi Regn. No. INB231272031 | INF 231272031**

**BSE Code No.: 694 | Sebi Regn. No. INB011088235**

**CDSL DP Id : 12060200 & SEBI Regn. No. IN-DP-CDSL-503-2009**

**106, Motalibai Wadia Bldg., 1st Floor, 22-D, S.A. Brelvi Road,**

**Next to Bombay Samachar Press, Fort, Mumbai - 400 001.**

**Tel.: +91 22 2285 5168 / 2285 5169 | Email : amolfinance@vsnl.com**

**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, 2018, 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, 2018 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.
13. The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

### **Statement of account**

14. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
15. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
16. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
17. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

### **Manner of Closure of Demat account**

18. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

Internal

19. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

#### **Default in payment of charges**

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

#### **Liability of the Depository**

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

#### **Freezing/ Defreezing of accounts**

23. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
24. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.
25. **\*The Joint holders are aware that in case of any Statutory Order for freezing any one joint holder, the demat account will be frozen and the other joint holders will have to obtain a specific Order for unfreezing their percentage of joint ownership by submitting the relevant documentary proof to the Order issuing authority.**

#### **Redressal of Investor grievance**

26. 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**

Internal

27. 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**

28. 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.
29. 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.
30. 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.
31. 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
32. 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.
33. 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.

**\$Refer Communique no. CDSL/OPS/DP/POLCY/2026/213 dated March 25, 2026**

Internal