

# Ganganagar Commodity Limited

(Member: NSE, BSE, MCX, NCDEX)  
DP: CDSL-Central Depository Services (India) Limited)



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# 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 & 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.

## **RIGHTS & OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS / AUTHORISED PERSON & CLIENTS as prescribed by SEBI & Stock Exchanges**

1. The client shall invest / trade in those securities / contracts / other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker, sub-broker/authorised person and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The sub-broker/authorised person 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 & sub-broker / authorised person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person / authority except as required under any law/regulatory requirements. Provided however that the 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 & Regulations of the Exchanges and the circulars/ notices issued thereunder.

### **BROKERAGE**

18. The client shall pay to the stock broker brokerage and

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

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

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

#### **DISPUTE RESOLUTION**

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

the said representative to deal on behalf of the said client/stock-broker.

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if certificate is cancelled by the Board.
28. The stock broker, sub-broker/authorised person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
29. In the event of demise/insolvency of the sub-broker / authorised person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker / authorised person by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker/authorised person 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 receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

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

The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/ stock exchanges.

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

#### **LAW AND JURISDICTION**

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

## INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT

**(All the clauses mentioned in the 'Rights & Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing / trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The stock broker shall provide the Stock broker's IBT Service to the client, and the Client shall avail of the stock broker's IBT Service, on and subject to SEBI / Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges /SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology / internet / smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges /SEBI.
5. The client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading / securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker.
6. The client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers / suspects discrepancies / unauthorized access through his username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use,etc.
7. The client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet / securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the client's Username / password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order / trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions & 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 neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges / SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

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

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

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

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

professional advice on the same.

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

### 1. BASIC RISKS:

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

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

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

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

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



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

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

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

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

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

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

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

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

**1.8. System / Network Congestion:** Trading on exchanges is in electronic mode, based on satellite / leased line based

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

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

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

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

- A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

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

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

**Risk of Option holders:**

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

**Risks of Option Writers:**

1. If the price movement of the underlying is not in the

anticipated direction, the option writer runs the risks of losing substantial amount.

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

3. **TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:** Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology / smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. **GENERAL:**

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.

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

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

### BEFORE YOU BEGIN TO TRADE

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

### TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker / authorised person. Ensure that you have a documentary proof of your payment / deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank / demat account such money or securities deposited and from which bank / demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working

day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:

- a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts / deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities / funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds / securities / margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds / securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
  15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

### IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant stock exchanges within the stipulated

period and with the supporting documents.

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

#### **DISPUTES / COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints

against the stock brokers are displayed on the website of the relevant Stockexchange.

19. In case your issue / problem / grievance is not being sorted out by concerned stock broker / sub-broker / authorised person 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 / authorised person 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.

#### **DEMAT ACCOUNT DO's & DON'Ts**

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
2. Intimate any change of address or change in bank account details to your DP immediately.
3. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.
4. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
5. Strike out the empty space, if any, in the DIS, before submitting to DP.
6. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
7. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
8. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
9. Register for CDSL's SMART (SMS Alerts Related to Transactions) facility. If any unauthorized debit is noticed, the BO should immediately inform CDSL & the Main DP, in writing an email may be sent to [CDSL@complaints@cdslindia.com](mailto:CDSL@complaints@cdslindia.com).
10. Register for CDSL's Internet based facility "easi" to monitor your demat account yourself. Contact your DP or visit CDSL's website: [www.cdslindia.com](http://www.cdslindia.com) for details.
11. In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.
12. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.
13. Signatures can be in English or Hindi or any of the other languages contained in the 8th Schedule of the Constitution of India. Thumb impressions & signatures other than the above mentioned languages must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate / Special Executive Officer under his / her official seal.
14. Signatures should be preferably in black ink.
15. Details of the Names, Address, Telephone Number(s), etc., of the Magistrate / Notary Public / Special Executive Magistrate / Special Executive Officer are to be provided in case of attestation done by them.
16. In case of additional signatures (for accounts other than individuals), separate annexures should be attached to the account opening form.
17. In case of applications containing a Power of Attorney, the relevant Power of Attorney or the self-certified copy thereof, Name of the POA, Signature of the POA, must be lodged along with the application.
18. All correspondence / queries shall be addressed to the Sole / First Applicant only.
19. Strike off whichever is not applicable.

## TERMS AND CONDITIONS-CUM-REGISTRATION / MODIFICATION FORM FOR RECEIVING SMS ALERTS FROM CDSL

### Definitions:

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

1. "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.
2. 'DP' means Depository Participant of CDSL. The term covers all types of DPs who are allowed to open demat accounts for investors.
3. 'BO' means an entity that has opened a demat account with the depository. The term covers all types of demat accounts, which can be opened with a depository as specified by the depository from time to time.
4. SMS means "Short Messaging Service"
5. "Alerts" means a customized SMS sent to the BO over the said mobile phone number.
6. "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.
7. "Service" means the service of providing SMS alerts to the BO on best effort basis as per these terms and conditions.

### Availability:

1. 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.
2. The service is currently available to the BOs who are residing in India.
3. 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 forming part of the roaming network of the service provider.
4. 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.
5. 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:

1. 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.
2. The BO acknowledges that the alerts will be received only if the mobile phone is in 'ON' 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.
3. 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.
4. 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 alert, the BO shall inform the depository and / or the 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.
5. 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.
6. The BO agrees to inform the depository and DP in writing of any unauthorized 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.

7. The information sent as an alert on the mobile phone number shall be deemed to have been received by the BO and the depository shall not be under any obligation to confirm the authenticity of the person(s) receiving the alert.
8. 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 whatsoever.
9. 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 to ensure that the BO's personal information is kept confidential. The depository does not warrant 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 howsoever 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 sent 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 as 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 understand that the SMS alerts would be sent for a maximum four ISINs at a time. If more than four debits take place, the BOs 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)

## TERMS AND CONDITIONS FOR AVAILING TRANSACTION USING SECURED TEXTING (TRUST) 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 jointholders.

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.



## POLICIES AND PROCEDURES OF GANGANAGAR COMMODITY LTD.

This document contains the policies and procedures of Ganganagar Commodity Ltd. (GCL) for Cash and F&O segment as are presently in force in relation to:

1. Refusal of orders for Penny / Illiquid Stock
2. Applicable Brokerage limit
3. Setting up of exposure limits
4. Delayed payment charges
5. Squaring off of market positions, collaterals & other securities
6. Market and internal shortages
7. Refusal of Client requests for fresh positions
8. Suspension of Client's a/c and deregistering of the client
9. Policy regarding treatment of inactive accounts

**1. Penny / Illiquid securities:** GCL shall from time to time classify and publish on its website a list of securities which are illiquid as per the list of illiquid securities notified on a periodic basis by the Stock Exchanges concerned and / or based on such internal criteria as GCL may deem fit. GCL reserves the right to refuse execution of any transaction requests of the client on such illiquid securities or to reduce the open market interests of the client in such securities. GCL also reserves the right not to allow any trades or transactions in respect of certain securities or segments or orders/requests which may be below / above certain value / quantity as may be decided by GCL from time to time.

### **2. Applicable Brokerage:**

- 2.1 GCL shall levy brokerage for the client's transactions as per the brokerage slabs mutually agreed with the client in writing in the Client Registration Form subject to the maximum rate prescribed by the Stock Exchanges / SEBI.
- 2.2 Subject to such maximum prescribed rates, GCL may revise the rates from time to time after advance intimation to the client of the revised rates and the date on and from which the revised rates shall take effect. However in case of any upward revision in brokerage, GCL will give 15 days advanced intimation to the client. GCL may intimate the revised rates in writing addressed to the client and by publishing the rate on its back-office website. The client shall intimate its objection(s) if any to the revised brokerage in writing within 15 (fifteen) days of receipt of intimation of the change in brokerage. The client shall be deemed to have agreed to the change in brokerage rates if he does not intimate any objection thereto within the time prescribed.
- 2.3 Brokerage shall be paid in the manner intimated by GCL to the client from time to time together with the service tax and statutory levies and duties as may be applicable from time to time on the same.
- 2.4 Without prejudice to the absolute obligation of the client to pay / reimburse monies to GCL as set-out above, GCL shall also be entitled to set-off and appropriate any

monies that may be placed with or available with GCL for and/or on behalf of the client towards any dues of the Client to GCL, arising howsoever.

### **3. Setting up of Exposure limits:**

3.1 GCL shall be entitled to sanction trading limits to the Client based on the margin lying to the credit of the Client in the form of funds / securities / bank guarantees / fixed deposit receipts. GCL at its sole discretion may refuse to accept any security as collateral / margin. GCL shall from time to time publish a list of securities which would be acceptable as collateral/margin. In setting exposure limits for the Client, GCL shall be entitled to consider such factors as it may deem fit, including without limitation, the client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of GCL and such other factors or conditions which GCL may consider relevant for the purpose. GCL reserves liberty to vary the trading/exposure limits of the client depending upon its risk assessment from time to time having regard to the changes in any of the factors or market conditions bearing on the risk profile of the client.

3.2 Neither GCL, nor any affiliate of GCL nor their respective directors, officers, employees, agents shall in any circumstances be liable for any direct or indirect loss, cost, liability, expense or damage (including without limitation all legal fees and expenses) arising from any variation or reduction of exposure or turnover limits by GCL.

### **4. Delayed payment and consequences:**

4.1 Notwithstanding anything contained in these presents and without prejudice to margin funding guidelines issued by SEBI, any amounts which are overdue from the client in any trading segments shall be liable to delayed payment charges at the rate of 24% per annum or part thereof or such other rate as may be determined and communicated by GCL. GCL is authorised to debit the delayed payment charges to the account of the Client at the end of each month/such other interval as may be decided by GCL.

4.2 Without prejudice to GCL other rights and to the extent permissible under Applicable Laws, GCL shall be entitled to liquidate / close out all or any of the client's positions for nonpayment of margin 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.

4.3 GCL shall be entitled to suspend or terminate the member client relationship without prior notice if the Client fails to fulfil his / its payment obligations hereunder, under the Rights and Obligations / Terms and Conditions mentioned in this document or otherwise due to GCL.

4.4 GCL shall not be obliged to return any money, margin or otherwise to the client until the client has satisfactorily discharged all its payment obligations or other obligations as specified in Client Registration Document.

**5. GCL right to square off:** Without prejudice to GCL other rights (including the right to refer a matter to arbitration), in the event of the Client failing to maintain/supply applicable margin money required to sustain the outstanding market positions of the Client, GCL shall be entitled, at its option and liberty, to liquidate/close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off. The Client understands and accepts that authority of GCL to square off outstanding market interests of the client in the event of the client failing to furnish margin money immediately on demand is carte blanche qua the entire outstanding position and the client shall not, as a matter of right, be entitled to reduction of the outstanding positions in stages in order that positions to the extent of available margin are retained in the client's account. GCL may also sell off all or any securities of the client lying with GCL as collateral or otherwise, for any amounts due by the client and adjust the proceeds of such liquidation/close out against the client's liabilities / obligations to GCL. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the client. Client shall keep and hold GCL indemnified and harmless from any loss arising out of such closing out / squaring off. Such liquidation or close out of positions shall apply to any segment in which the client does business with GCL.

**6. Market and internal shortages:** The client hereby agrees that if he / she / it has short-delivered any securities against his / her / its pay-in obligation towards a counter party who is a Client of GCL and delivery of the securities was also not effected through auction in the market (self-auction) for any reason including that self-auction is not permitted on the Exchange, then the contract shall be closed out and the close out price will be higher of:

(a) The highest price for the securities prevailing in NSE or as the case may be BSE on any date commencing from the date of transaction till the day of auction relevant to the trade (auction day) or

(b) The closing price for the securities on the auction day as increased by 7% or such other % as may be revised by GCL from time to time. The amount so determined shall be debited to the account of the client who defaulted to deliver.

**7. Refusal of Client requests for trades/transactions:**

7.1 GCL is entitled in its sole discretion to: Restrict or refuse execution of any orders for transaction in any scrip if transaction in such scrip is not in accordance with its internal

due diligence policy and/or the directives and guidelines of the Exchanges and/or the Regulator issued from time to time and the client shall not call in question any decision of GCL to restrict or refuse transactions in such scrip on the ground that transactions in such scrip are not in violation of GCL due diligence policy or the directives or guidelines of the Exchange and/or the Regulator or on the ground that the Client has not been put on notice about the scrip on which trade restrictions have been imposed by GCL. Impose trade restrictions on any scrip having regard in particular to any one or more of the following factors viz. (i) Market volatility, or (ii) Price sensitive announcements relating to any scrip, or (iii) Restrictions on trade volume imposed by the Exchange concerned or (iv) Political instability in the country or (v) External aggression or internal rebellion or (vi) Default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the securities market.

7.2 Refuse to accept or act upon any request/order which in GCL sole opinion, amounts to manipulating trades or price manipulation or artificial trade(s) and/or fraudulent trade(s) or otherwise in breach of applicable laws and/or GCL internal policies, without obligation to give the client its reasons for doing so;

7.3 Close out any transaction which may have been executed but which GCL was entitled to refuse to execute being contrary to its internal due diligence policies or by reason of any other factors including but not limited to trades being manipulative in nature;

7.4 Disallow any trades or transactions in respect of certain securities or segments which may be below / above certain value / quantity as may be decided by GCL from time to time;

7.5 GCL may at its sole discretion decline to carry out the instructions for any reason whatsoever

**8. Suspension and deregistering of Client's Account:**

8.1 If the client apprehends that security of his account has been breached, the client shall by writing to GCL, request suspension of transactions in the client's account and GCL may on receipt of such request suspend transactions in the account. The client shall ensure pay in of funds and securities in respect of all transactions pending to be settled on or before the respective settlement date(s) and shall compulsorily square off all open derivative positions, failing which GCL without further reference to the client shall square off all open derivative positions prior to suspending the account. The account of the client shall, if suspended, remain so suspended until such time as the client's request in writing for reactivation of the account is not received by GCL. Provided always that GCL may, without prejudice to its other rights to effect recovery of its dues, sell all or any collateral & other securities of the client lying with it in the client's account towards full or part recovery

of the dues owing by the client without prior notice or consent of the client.

8.2 GCL may at any time, as it considers necessary in its sole discretion & without prior notice to the client, prohibit, restrict or suspend the client's access to or use of services provided to the client under this document, whether in part or entirely.

**8.3 GCL reserves the right to suspend and deregister the client without prior notice in the event of:**

- a. Any breach of the terms of this document.
- b. In the event of infraction of any rules, Bye-Laws, regulations of SEBI or the stock exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or on the directions of SEBI and / or the Exchanges.
- c. Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the client.
- d. The client being designated as a defaulter by any credit rating agency or any action or proceedings have been initiated by the relevant regulator / Authority including without limitation SEBI.
- e. Bank account, demat account, securities account of the client being frozen or attached by any court of law or any other competent authority for whatever reason.
- f. The client having misrepresented facts at the time of registration or at the time of giving instructions or otherwise.
- g. Any proceedings or investigations that involve the client or his / its properties having been initiated (or is / are ongoing).
- h. The client fails to fulfil his / its payment obligations under this document or otherwise due to GCL or
- i. If the client migrates to a jurisdiction which prohibits trading in Indian Securities or otherwise subjects GCL or any of its employees to any licensing or registration requirements.

**Policy regarding treatment of inactive accounts:** In case

I/we have read and understood the above mentioned policies and procedures.

of trading account the term dormant / Inactive account refers to such account wherein no transactions have been carried out since last one year of calendar months.

The Dormant accounts identified based on the above criteria shall be flagged as such in GCL record. GCL reserves the right to freeze / deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The client's account would be reactivated only after undertaking proper due diligence process and fulfilment of such conditions as may be deemed fit, in the cases where the account has been frozen/ deactivated.

The client's request through letter / registered email ID / recorded telephone lines may be impressed upon to reactivate the account or carry out any fresh transactions in a dormant / inactive accounts.

The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of GCL from time to time. This Policy for dormant accounts is over and above the transaction monitoring in Dormant account as per Anti-Money laundering Policy of the Company.

In case of clients who have credit balance and who are flagged as dormant, the funds / securities of such clients are duly flushed out during monthly / quarterly payout of funds and securities.

- 9 The prevailing policies and Procedures of GCL in respect of the above said matters shall remain published on its website as may be notified to the client from time to time and the client agrees that it is client's responsibility to access, understand and abide by such policies at all times during the subsistence of the relationship with the client.

**I agree and understand that GCL may from time to time at its sole discretion amend or modify the policies and procedures under intimation to me / us.**

## DETAILS OF TERMS & CONDITIONS FOR THE INVESTOR / CLIENT FOR USING MUTUAL FUND TRANSACTION FACILITY

### 1. Pre-requisites for becoming Client/Investor for Mutual Fund Transaction Facilities:

The client who is desirous of investing in units of mutual fund schemes through the Mutual Fund Transaction Facilities available at the Exchanges platform.

The client intends to execute his instruction for the subscription / redemption of units of Mutual Fund Schemes through the broker who is a Mutual fund Intermediary (MFI) / Participant (hereinafter referred as GCL) of the Mutual Fund Transaction Facilities.

The client has satisfied itself of the capacity of GCL to deal in Mutual Fund units and wishes to execute its instruction through GCL and the client shall from time to time continue to satisfy itself of such capability of GCL before executing transacting through GCL.

The client has approached to GCL with the application for availing the Mutual Fund Transaction Facilities.

The client has submitted relevant KYC (Know Your Client) details to the GCL.

### 2. Terms and Conditions

The client shall be bound by circulars issued by the Exchanges, Rules, Regulations and Notices / circulars issued there under by SEBI and relevant notifications of Government authorities as may be in force from time to time.

The client shall notify GCL in writing if there is any change in the information in the 'client registration form' provided by the client to GCL at the time of registering as a client for participating in the Mutual Fund Transaction Facilities or at any time thereafter.

The client shall submit to GCL a completed application form in the manner prescribed format for the purpose of placing a subscription order with GCL.

The client has read and understood the risks involved in investing in Mutual Fund Schemes.

The client shall be wholly responsible for all his investment decisions and instruction.

The client shall ensure continuous compliance with the requirements of the Exchanges, SEBI and AMFI.

The client shall pay to GCL fees and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that GCL renders to the client.

The client will furnish information to GCL in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.

In the event of non-performance of the obligation by GCL, the client is not entitled to claim any compensation either from the Investor Protection Fund or from any fund of Exchanges or its Clearing Corporation.

In case of any dispute between the GCL and the investors arising out of Mutual Fund Transaction Facilities Exchanges and/or Clearing Corporation agrees to extend the necessary support for the speedy redressal of the disputes.

### 3. Additional Terms and conditions:

Mutual fund Transaction Facilities provided by GCL shall be available for the units of the eligible schemes which are in dematerialized form. The said facility shall not be provided for the units of the schemes which are not available in dematerialized form.

Fees: GCL reserves the right to charge such fees from time to time as it deems fit for providing the services to the client and the client agrees and undertakes to pay fees / brokerage and statutory levies / charges as may be levied by GCL from time to time.

The client agrees and understands that GCL is only a facilitator for the client for applying in the Mutual Fund units. Allotment of units shall be at the sole discretion of the respective Asset Management Company ("AMC") and the GCL shall not be held liable or responsible for any act/ deed / non-action of the AMC.

The client agrees and undertakes to provide funds to GCL equivalent to the subscription amount and applicable brokerage / fees / charges before applying for mutual fund units through the GCL. The client further agrees and authorizes the GCL to utilize the surplus funds in the client's Broking account held with the GCL in its capacity as a Stock Broker and transfer funds to the extent of subscription amount and / or applicable brokerage, fees and charges (in case of both subscription and redemption) to meet the debit in the client's Mutual fund transaction account.

The client and GCL agree to refer any claims and / or disputes to the Arbitration under the Indian Arbitration and Conciliation Act, 1996.

The client have read & understood the terms and conditions mentioned above and agree to abide by them and any amendments thereto made by GCL from time to time.

### 4. Internet based trading facility:

Client is fully aware about the features, risks, responsibilities, obligations and liabilities associated with internet based trading facility and same has been brought to client notice by GCL for Mutual Fund Transaction Facilities.

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 internet based trading facility offered by GCL and undertakes to ensure that the password will not be revealed to any third party including employees and dealers of the GCL.

Client shall immediately notify GCL in writing if client forgets password, discovers security flaw in internet based trading facility, discovers/suspects discrepancies/unauthorized access through client username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet based trading facility and shall be fully liable and responsible for any and all acts done in client's Username/password in any manner whatsoever.

Client is fully aware that trading over the internet based trading facility involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The GCL and the Exchange do not make any representation or warranty that internet based trading facility will be available to client at all times without any interruption.

Client shall not have any claim against the Exchange or the GCL on account of any suspension, interruption, non-availability or malfunctioning of internet based trading facility offered by GCL or Service or the Exchange's service or systems or non-execution of client's orders due to any link/system failure at client/ or GCL or Exchanges end for any reason beyond the control of GCL / Exchanges.

## IMPORTANT NOTE REGARDING FATCA-CRS DECLARATION / SELF CERTIFICATION FOR INDIVIDUAL

### What is FATCA/ CRS?

The U.S. government introduced the Foreign Account Tax Compliance Act, 2010 (FATCA) for obtaining information on accounts held by U.S. taxpayers in other countries. Further, Organization for Economic Co-operation & Development (OECD) and G20 countries agreed for automatic exchange of information through Common Reporting Standards (CRS). The Government of India has signed an Inter-Government Agreement (IGA) with US and has also joined the Multilateral Competent Authority agreement (MCAA) for automatic sharing of information with member countries of OECD and G20. By virtue of India signing an IGA with US and joining MCAA, Indian financial institutions will have to provide the required financial information to Indian tax authorities which in turn would forward reportable information to US IRS and member countries of OECD and G20 countries.

In order to implement FATCA and CRS norms in India, Ganganagar Commodity Ltd. is required to implement procedures to identify U.S. account holders or other jurisdictions reportable accounts, perform due diligence & obtain documentary evidence wherever required and report details of such accounts to relevant tax authority.

### US Person means:

In case of individuals, U.S. person means a citizen or resident of the United States. Persons who would qualify as U.S. persons could be born in United States, born outside the United States of a US parent, Naturalized citizens, Green Card Holders, tax residents.

### Who is Reportable Person (Non US) under Common Reportable Standards (CRS)?

Under Common Reportable Standards (CRS), reportable person means Tax residents of a reportable foreign jurisdiction other than U.S. (Please note the above information is provided only for quick reference to customers. You are requested to consult a legal/ tax advisor if in doubt.)

### Documents to be collected if Customer's Country of birth is U.S. but declare that he / she are not a U.S. person:

1. Certificate of relinquishment of citizenship (Loss of nationality certificate); OR
2. Self certification for stating reasons for not having such a certificate despite relinquishment U.S. citizenship; OR
3. Self certification for stating reasons for not obtaining U.S. citizenship at birth.

## VOLUNTARY TERMS AND CONDITIONS

Whereas the client intends to open securities trading accounts with Ganganagar Commodity Ltd, (hereinafter referred as GCL) for the purpose of trading in Capital Market Segment , Futures & Options, Currency and commodity Derivative Segments of the National Stock Exchange of India Ltd., the Bombay Stock Exchange Ltd., MCX and NCDEX and Mutual Fund transactions Facilities offered by SEBI recognized Stock Exchange and whereas for the purpose of more fully and conveniently availing of the services agreed to be provided by GCL and also the additional services that may be made available by GCL from time to time, the client, on its own free will and volition, agrees to accept and be bound by the following terms and conditions. The client understands that these terms and conditions are voluntary i.e, non-mandatory in nature but on their acceptance, these shall constitute the contract between the parties and bind them fully and be enforceable by each party against the other.

1. **Authorization to debit additional charges with regard to Trading and Demat Account:** Without prejudice to the other rights and obligations of the parties, the client understands and agrees that GCL may levy additional charges including Annual Maintenance Charges and all transaction charges with respect to clients demat account for any service rendered by GCL and as may be required by the client, and recover from the client all reasonable costs, as may be incidental or consequential for rendering the said services. The said charges will be debited to the clients ledger account with GCL.
2. **Payment by cheque:** Where payment by the client towards margin money is made through cheque / pay order / demand draft issued in favor of GCL, trades may be executed at the discretion of GCL only upon realization of the funds of the said cheque/ pay order/ demand draft.
3. **Lien:** All securities, funds and/or properties of the client as may be permitted by the Exchange(s) from time to time to be placed with GCL shall be subject to a lien for the payments or fulfillment of all undischarged liabilities and obligations of the client in relation to its transactions or owing to any of the group companies of GCL. GCL shall be entitled to withhold such securities, funds and/or property of the client as security towards any such un-discharged liabilities or obligation of the client and to sell and/or appropriate to itself all such securities, funds or properties at its sole discretion & at any point of time.
4. **Authorization for delivering / pledging shares:** The client understands and agrees that GCL may deliver to the Exchange any securities held by it on behalf of the client to discharge settlement obligations in respect of securities sold by the client or pledge the same with the clearing house of the recognized stock exchange in any segment where the client is registered for trading for the purpose of providing margin for the trading positions contracted or to be contracted by the client or with any scheduled commercial bank, Non-Banking Financial Institution or other financial institution for raising funds to the extent account of the client carries debit balance but without any obligation on its part to so raise funds by pledging the securities and without prejudice to the right of GCL to enforce, at its option, the collateral security in the securities to recover the debit balance at any time.
5. **Authorization for Inter segment fund balance transfer and stock transfers:** The client hereby authorizes GCL to transfer its debit / credit balances in the ledger account arising during the course of trades in any segment to its ledger account in any other segment or to transfer any stock purchased / lying in its account in any segment to its account in any other segment as often as may be required. The transfers may be completed by passing journal entries in the books of GCL.
6. **Disclaimer:** The client understands and agrees that neither GCL nor any other party disseminating any market data, message or information through the Website of GCL or in any other media shall be liable for:
  - (a) Any inaccuracy, error, omission or delay in the transmission or delivery of any such data, information or message, or
  - (b) **Any loss or damage arising from or occasioned by** (i) Any such inaccuracy, error, delay or omission, (ii) Non-performance, or (iii) Interruption in making available any such data, information or message, due to either any act or omission by GCL or any disseminating party or to any "force majeure" (e.g. flood, extraordinary weather condition, earthquake or other act of nature, fire, war, insurrection, riot, labour dispute/unrest, accident, action of government, communications or power failure, equipment or software malfunction) or any other cause beyond the reasonable control of GCL or any disseminating party.
7. **Manner and Mode of placing orders/instructions:** The client may communicate orders and other instructions to GCL or the sub-broker / authorised person as the case may be over phone at the designated contact telephone number, or in writing, or through designated email, or by personally visiting the designated office. Client may use any one or more of these means as may be permitted by the SEBI / Exchanges from time to time for placing orders.
8. **Non-execution / delay / cancellation of Orders:** The client hereby agrees that GCL or the Exchanges shall not be liable for non execution or partial execution of any orders caused due to suspension, interruption, or malfunctioning of the online as well as offline trading services, disruptions or congestion of communication net works, hardware or software problems, or failure of the electronic trading system generally in any manner due to one or the other reasons beyond the control of GCL or the Exchange.
9. **Client not to act on representations of agents, employees:** Client is aware that GCL has not

authorized any agents, representatives, employees or other persons to make any representation, or to give any promise, assurance, warranty, undertaking or commitment as to return on investment of the client whether in writing or otherwise on behalf of GCL.

- 10. Recording of Conversation:** The client is aware and agrees that GCL may tape record the conversation between the client / client's representative and GCL, whether over the telephone or in person. GCL may produce before competent authorities, voluntarily or on such production being required by such authorities, recorded conversation or transcript thereof or both as valid evidence of the content of the conversation so recorded.
- 11. Confidentiality of Client Details:** GCL may disclose the client information to any person /entity as required under the law or to any broker's Association or organisations in case of dispute in order to take informed decision. The client hereby agrees and give its consents for the disclosure by GCL to any person or entity including but not limited to any independent third parties or any entities of GCL Group, whether within or outside India, of any information and data relating to client or relating to client's trading account with GCL for the purposes of or in connection with, any present or proposed initiatives, including but not limited to any marketing or cross sell initiatives, business proposals, activities, facilities or services availed of or to be availed, by client infuture.
- 12. Disclosure as to Proprietary Trades by GCL:** GCL may carry out proprietary trades in addition to trades on behalf of its clients.
- 13. Severance:** In case any one or more of the terms and conditions contained in this document become invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 14. No Waiver:** No forbearance, relaxation or inaction by any party to require from the other performance or discharge of any obligation to be performed or discharged by the other under this document shall in any way affect, diminish, or prejudice the right of such party to require of the other party at any time such performance or discharge, or performance or discharge of any other obligations under this document or be considered to be a waiver of any rights, unless the waiver is specifically agreed in writing.
- 15. Notices:** All notices or communications issued by GCL shall be served on the client in any one or more or all of the following ways at the ordinary business address and/or ordinary place of residence and/or last known address of the client:
  - (a) By ordinary post or (b) By registered post (c) Under certificate of posting or (d) By express delivery post or (e) by SMS on registered mobile or by telephonic call or (f) By

affixing it on the door at the last known business or residential address or (g) By oral communication to the party or on the last known telephone number or on the recording machine of such number or (h) By advertising it in at least one prominent daily newspaper having circulation in the area where the last known business or residential address of the client is situated or (i) By publishing it in the website of GCL wherein secured log-id and password to client is provided or (j) By a notice posted on the notice board of the Exchange if no address be known or (k) By electronic mail or fax or (l) By hand delivery or By courier or any other mode as may be allowed for communication.

Notwithstanding anything stated above, communication relating to orders, margins, maintenance calls and other similar matters in the ordinary course of dealings between GCL and the client may be made orally.

**Deemed Service:** Any communication sent by GCL to the client shall be deemed to have been delivered or served. even if such communication is returned to GCL as unclaimed / refused / undelivered. If the same is sent to the ordinary business address and / or ordinary place of residence and /or last known address of the party, in any one or more of the ways mentioned above. The client shall always be deemed to have notice of all communication posted / published in the login page of the back office website of GCL and it shall be responsibility of the client to access the website of GCL regularly for all such communication.

#### **16. Electronic Contract Note (ECN):**

Client agree to receive contract notes in Electronic / Digital Form (ECN) authenticated by means of a digital signature in lieu of Physical Contract notes through e-mail by authorizing GCL in this connection and providing the e-mail address(es) at which the client wishes the ECN to be sent.

The client shall access and verify the ECN and all information contained therein, In case of discrepancy the client, shall inform GCL either in writing or via E-mail within reasonable time of the receipt of the same. GCL shall also publish the contract note on the Web site www.GCL.in or on any other designated location specified by GCL from time to time. The client will be issued a login and password by which the client can login in to his account and view/save/print the ECN. Should the client experience any difficulty in opening the ECN, GCL may, on advice by the client, make the contract note available by any other means (e-mail, electronic mail attachment, or in the form of an available download from the back office web site or by delivery of a hard copy). Client's failure to advice GCL of such a difficulty shall amount to valid delivery & viewing of the document by the client.

- 17. Electronic Transmission of other Documents:** The client who have opted for ECN agrees that GCL may transmit to the client any statements, documents or intimation

including, but not limited to, Margin Statement, Statements of Funds and Securities, margin and maintenance calls & other notices / communications in electronic mode either at the e-mail ID designated for delivery of ECN or to the mobile number of the client or both and, in case of non receipt of bounced mail/non delivery of SMS notification, GCL shall be deemed to have fulfilled his obligation to deliver to the client such documents. Discrepancies if any in documents should be brought to the notice of GCL within reasonable time from issuance failing which the documents shall be deemed to be true and correct record of transactions stated therein.

**18. Electronic Payment Gateway for Net Banking Services:**

GCL may provide on its internet trading website, without additional cost to the client, access to Electronic Payment Gateways provided by various banks for facilitating transfer of funds from client's bank account to the account of the client with GCL. Client understands that GCL is only providing access to the electronic fund transfer facility provided by the banker of the client through GCL's website by means of an interface and is not liable or responsible for the proper functioning or otherwise of the Gateway or for any transaction errors, losses, malfunctioning or hacking of the system by unscrupulous elements, frauds, and/or any incidental or consequential claims arising thereout. Client undertakes not to make GCL a party to any litigation, claim, dispute, difference or complaint that the client may initiate in respect of, arising out of or in connection with any transactions on the gateway and agrees that GCL liability shall at all time be limited to the amount actually received in its account by electronic transfer from client's account with the Bank.

**19. Client to intimate changes:** Client understand that it is client's responsibility and undertakes to intimate GCL forthwith in writing of any change in relation to any information furnished by the client in the Client Registration Form, including in particular but not limited to any change in the correspondence address. Client shall produce while intimating such changes necessary proof in support of the change and shall produce any additional proof, if any required by GCL.

**20. Internet/Wireless Technology based Trading facility:**

GCL offers Internet and mobile Trading facility for transaction in securities on the concerned Exchanges (hereinafter referred to as "the Internet / wireless Trading system") through Exchange approved software. The client can route its orders to GCL over the internet / mobile / laptop with data card or any other devices which use internet protocol for purchasing, selling and dealing in securities. The client may avail of such Trading facility provided by GCL by complying with the formalities prescribed therefor.

User Name and Password: The client will be entitled to a

Username and password which will enable him to access GCL internet Trading facility for availing of the internet trading services.

**Non-usage of Internet / Wireless Trading Facility:** If the client does not use the Internet / Wireless Trading Facility for a continuous period of 3 months or such other period as GCL may notify, the facility may be deactivated without notice and the client shall comply with the prescribed formalities for reactivating the facility. Trades can, however, be executed at all time by placing orders off-line with the concerned branch of GCL.

The client understands and agrees that GCL has different product of the Internet Trading / Wireless Trading softwares which have been approved by the Exchanges and the client shall be allotted such product as may be chosen by him. The client also understands and agrees that depending on the trading activity of the client, GCL shall have the exclusive right and liberty to change the product version allotted to the client and allot a different product version of the Internet Trading / Wireless Trading facility.

**Orders of client subject to review by GCL:** The client agrees that the GCL may, on being suspicious of any of the transactions, review any order placed by a client, which may cause delays in the processing of the client's order or may result in rejection of such order."

The client shall inform GCL full details of such unauthorized use including the date of such unauthorized use, transaction discrepancies or security flaw. The manner in which User name / Password was unauthorizedly used. The transaction effected pursuant to such unauthorized use, etc., provided always that the client shall be solely responsible and liable for the trades so executed and shall not hold GCL responsible for the financial or other consequences there under in any manner.

**21. Pay-in of Funds & Securities:** GCL will receive funds/securities and/or disburse funds / securities only from/to the bank account and the demat account given by the client in the client registration form or from/to the accounts subsequently in writing notified by the client and accepted by GCL. GCL reserves the right not to accept funds / securities from Banks / Demat accounts other than that registered with GCL and client understands and agrees that GCL shall not be liable for any loss that may be occasioned due to GCL declining to accept funds / securities from unregistered accounts.

**22. Extra Ordinary Events and termination/suspension of trading facility:** GCL will not be liable for losses caused directly or indirectly by government restriction, Exchange rulings, suspension of trading, computer, communication, telephone or system failure, war, earthquakes, flood, accident, power failure, equipment or software malfunction, lack of connectivity, congestion or disruption of communication net-work or links, software



glitches or corruption, low processing speed, strikes or any other conditions beyond GCL control resulting in non-execution, partial or incomplete execution of orders and the resulting financial loss, if any GCL may at any time terminate, discontinue or temporarily suspend trading facility provided to the client in the event of any such extraordinary event occurring without giving prior notice to the client.

- 23. Client to Retain Copy:** A copy of all the documents comprising KYC shall be provided to the client at the time of execution of this document under acknowledgment to be signed by the client. Additional copy of the documents shall be provided to the client on written request on payment of reasonable cost.
- 24. Amendments to the terms and conditions:** GCL reserves the right to amend the terms and conditions herein contained by adding, deleting, modifying or varying the provisions thereof by giving 15 days notice to the client. In the event where the client has not objected to revised terms and conditions within 15 days of receiving the notification, the same shall be binding on the client.
- 25.** The client is aware that GCL has provided on the web site a facility to check and confirm orders which are larger than the limit allowed to client by GCL risk management. The client is also aware that GCL has the discretion to disallow execution of such excessive orders entirely or allow execution to the extent of limit prescribed by GCL risk management based on its risk perception provided, however that in event such excessive orders get executed, the client shall remain bound by his trades and be liable for the financial and other consequence following from such trades.
- 26.** The client agrees that any request for cancellation/ modification of an order or an application shall be subject to the order or application not having already been acted upon or already been executed or it being outside the control of GCL to make any cancellation or modification to such order or application. An order or application shall be deemed to have been executed or cancelled only after the client has received a statement from GCL intimating him of the status of the order /Application.

- 27. Transaction and Settlements:** All orders for purchase, sale or other dealings in securities and other instructions routed through GCL internet Trading system via the clients User name shall be deemed to have been given by the client.

GCL may from time to time impose and vary limits on the orders that the client can place through the internet trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which order can be placed, etc.) The client is aware and agrees that GCL may need, to vary or reduce the limits or impose new limits from time to time instantaneously on the basis of the GCL risk perception and other factors considered relevant by GCL and GCL may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that GCL shall be responsible for such variation, reduction or imposition or clients inability to route any order through the INTERNET TRADING SYSTEM on account of any such variation reduction or imposition of limits. The client understands and agrees that GCL may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place the orders or trade in securities through GCL.

- 28. Remit Funds payout electronically into clients bank account:** Notwithstanding anything contained in these documents and without prejudice to the rights and obligations of the parties interse, the client, hereby agrees and authorize GCL to transfer funds due for payment to the client through net Banking / EFT / RTGS / NEFT / IMPS for the credit of designated bank account(s) of the client details of which are given by it to GCL. Client shall also give GCL a cancelled cheque leaf of the designated Bank account for this purpose. Client agrees that it shall not hold GCL liable If any fund is credited to wrong account(s) as a result of client providing incorrect account details to GCL. GCL reserves the right to reject request of the client for electronic funds transfer or to discontinue the facility without assigning any reason. The client also understands and agrees that GCL shall not be responsible for any delay / failure in transmission of electronic payout of funds due to any reason whatsoever and undertakes to not hold GCL liable in this regard.

I/We hereby confirm to have read and understood the terms and conditions as mentioned above and agree to abide by the same.