



# Mandatory & Non Mandatory Documents for Client (For Individual & Non Individual)

# **INSTRUCTIONS FOR FILLING OF THE FORMS**

## **General Instructions for Filling up the Form:**

1. Please fill all the details in BLOCK LETTERS / CAPITAL LETTERS and only in English.
2. Please use Black Ink for the Signatures and to fill up the form.
3. Please write name as per PAN CARD. Please write address as per the proof attached.
4. Please sign all the documents as per signature shown on PAN CARD or signature to be verified by Bank.
5. Trading Account will be opened in the name of Sole/First Holder Only.
6. For non residents clients the KYC documents should be attested by anyone of the following entities - Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the Country where the client resides.
7. If any information to be given does not fit in the form, an Annexure may be Used.
8. Telephone / Electricity Bill should not be more than 3 months old.
9. Strike off whatever is not applicable.
10. Contact details : Email ID, Mobile No., ResidenceTel. No., OfficeTel. No. is mandatory for UCC data.
11. Please do not use whitener.
12. This information is the sole property of the trading member / brokerage house and would not be disclosed to anyone unless required by law or except with the express permission of clients.
13. As per SEBI directions, the FIIS and NRIS are not permitted to deal in Currency Derivatives.

## **Instructions for DP Account:**

1. Signatures can be in English, Hindi or any of the languages contained in the 8th Schedule of the Constitution of India. Thumb impression and signatures other than the above mentioned languages must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.
2. Details of the Name, Address and Tel. No. of the Magistrate / Notary Public / Special Executive Magistrate are to be provided in case of attestation done by them.
3. For Demat Account, documents need to signed by all the holders i.e. DP Agreement, POA, Tariff Sheet.
4. In case of additional signatures, seperate annexure should be attested to the application form.
5. In case of applications under Power of Attorney, the relevant Power of Attorney or the certified and notarised copy thereof, must be lodged with application.
6. All Correspondence / Queries shall be addressed to the First / Sole Applicants only.
7. Demat Account is for the Equity Product only.
8. For OCB and NRI Category. Please provide Indian Address and Foreign Address. Please mention one of them as a correspondence Address as required. Both address proof are mandatory.
9. Minor can open only DP Account as a Single holder.

## **ABBREVIATIONS IN KYC FOR MANDATORY & VOLUNTARY INFORMATION**

# Mandatory for Equity / Future & Option / Currency Derivatives / DP.

\* Mandatory for Equity / Future & Option / Currency Derivatives Trading Account at BSEL / NSEIL.

\*\* Applicable for Demat Account to be opened with Sushil Financial Services Private Limited.

△ Voluntary / Optional.

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## KYC CHECKLIST

### INDIVIDUAL / NRI

1.	Latest passport size photograph affixed & signed the photograph across
2.	Proof of the identity of the client - Copy of the Pan card <b>(Mandatory)</b>

### Address Proof (OVD)

1.	Aadhar Card
2.	Passport (Please provide renewal copy after expire of the same.)
3.	Voter ID Card
4.	Driving License (Please provide renewal copy after expire of the same.)
5.	NREGA Job Card
6.	NPR
7.	Others

### Identity card / Document with address, issued by :

1.	Aadhar Card
2.	Passport (Please provide renewal copy after expire of the same.)
3.	Voter ID Card
4.	Driving License (Please provide renewal copy after expire of the same.)
5.	NREGA Job Card
6.	NPR
7.	Others

### Proof of Bank account :

1.	Copy of the bank passbook / latest bank statement or personalized cancelled cheque.
2.	MICR AND IFSC code : Copy of cancelled cheque leaf showing the same.

### For Trading Account :

1.	For DP Proof (if DP account not opened with SFSPL) DP statement reflecting DP ID, Client ID and Name of the client with DP official seal and signature.
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### NRI

1.	Copy of RBI approval letter (Primary Banks are also allowed).
2.	Indian & Foreign address of client along with the proof.
3.	NRI bank account proof / bank passbook / bank account statement and one cancelled cheque leaf (showing NRE / NRO status)
4.	NRI / PIS account opened with bank

### Valid documentary proof for Financial Details (Mandatory for client in F&O and Currency Segment)

1.	Copy of ITR acknowledgement
2.	Copy of annual Accounts
3.	Copy of form 16 in case of salaried person
4.	Networth certificate
5.	Salary slips
6.	Bank account holding statements for last six months.
7.	Any other relevant documents substantiating owner of assets.
8.	Self declaration along with relevant supporting documents.
9.	Copy of demat account holding statement

**NOTE : All copies of proof/supporting documents must be sign by the client.**

## **KYC CHECKLIST FOR NON INDIVIDUAL**

<b>Mandatory Requirements,</b>		Branch / Franchisee	Head Office
1.	PAN Copy and address proof of Corporate Entities / Trust / FII / Registered Society / A.O.P. / L.L.P. / Partnership Firm / HUF		
2.	PAN Copy and address proof of all authorize signatories / Karta		
3.	Bank proof of corporate Entities Trust / FII / Registered Society / A.O.P. / L.L.P. / Partnership Firm / HUF		
4.	Proof of Demat Account ( If Demat Account not opened with us)		
5.	Photograph of all authorize signatories/Trustees/Partners/Karta duly affix on KYC and signed across it along with office seal.		
6.	Affix Corporate seal in all the places wherever signed by Authorise Signatory		

### **Specific Requirements;**

<b>Corporate (Domestic or Foreign)</b>		Branch / Franchisee	Head Office
1.	Certified true copy of Board Resolution, duly certified by Managing Director/Company Secretary, authorizing opening of Trading and Demat Account and specifying the name of persons authorized by the board to operate the said Trading and Demat account. The resolution must specify the manner of operation of the account and authority given to the authorized signatories to open and operate the account.		
2.	Name of the authorized signatory (ies), designation, photograph and their signatories duly verified by Managing Director / Company Secretary. (If space is insufficient please attached separate sheet)		
3.	Proof of address evidenced by documents registered with registering authority or bank statement or agreement for sale or leave and license agreement or acknowledged copy of incomeTax returns.		
4.	Certified true copy of Memorandum and Articles of Association and Certificate of Incorporation by Managing Director or by Company secretary.		
5.	Copy of Balance sheets for the last 2 financial year (to be submitted every year)		
6.	Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year)		
7.	Certified true copy of latest IT returns.		
8.	Certified true copy of Net worth Certificate by a Chartered Accountant.		

<b>Trust</b>		Branch / Franchisee	Head Office
1.	Certificate of Registration of Trust under the societies Registration Act/Public Trust Act, 1860 / Bombay Public Trust Act, 1950 / Public Trust Act, of relevant State.		
2.	Certified true copy of trust Deed and rules.		
3.	Certificate of Registration (for registered trust only)		
4.	Copy of Balance sheets for the last 2 financial year (to be submitted every year)		
5.	List of trustees certified by managing trustees/CA.		
6.	Certified true copy of Board Resolution to open the Trading and Demat account and specifying the persons authorized by the by the Board to act as Authorized signatory (ies) to operate the Trading and Demat account.		
7.	Certified true copy of latest IT returns.		

Note: In case of private trust Demat Account will be opened in the name of trustees (maximum three accountholders). Please attached separate Demat Account Opening form.

<b>Partnership Firm</b>		Branch / Franchisee	Head Office
1.	Certified true copy of Partnership Deed		
2.	Certificate of Registration (for registered partnership firms only)		
3.	Copy of Balance sheets for the last 2 financial year (to be submitted every year)		
4.	Certified true copy of Latest IT return.		
5.	Authorization from all the partners to open, operate and maintain a trading account on letter head of the firm.		
6.	List of Authorized signatories with their specimen signatures.		

Note: In case of Partnership Firm Demat account will be opened in the name of Partners (maximum three account holders) under individual category. Please attached separate Demat Account Opening forms

<b>Registered Society:,</b>		Branch / Franchisee	Head Office
1.	Certified true copy of Registration Certificate under Societies Registration Act, 1860.		
2.	Certified true copy of Society Rules and Bye laws Certified by the Chairman / Secretary.		
3.	Proof of address evidenced by documents registered with registering authority or bank statement or agreement for sale or leave and license agreement or acknowledged copy of incomeTax returns.		
4.	List of Managing Committee members		
5.	Certified true copy of Committee Resolution for persons authorized to open the Trading and Demat account and specifying the persons authorized by the Committee to act as Authorized Signatory (ies) to operate the Trading and Demat account.		
6.	Certified true copy of latest IT returns.		
<b>Note:</b> In case of Unregistered Society: Demat account will be opened in the name of member of society under individual category(maximum three accountholders). Please attached separate Demat Account opening forms			

<b>HUF</b>		Branch / Franchisee	Head Office
1.	Deed of declaration of HUF / List of coparceners.		
2.	Copy of Bank pass-book / Bank statement in the name of HUF (statement should not be more than 3 months old)		
3.	POA should be signed by all coparceners.		

<b>Unincorporate association or a body of individuals</b>		Branch / Franchisee	Head Office
1.	Proof of Existence / Constitution document.		
2.	Resolution of the managing body & Power of Attorney granted to transact business on its behalf		
3.	Authorized signatories list with their specimen signatures		

<b>Army / Government Bodies</b>		Branch / Franchisee	Head Office
1.	Self-certification on letterhead		
2.	Authorized signatories list with specimen signatures.		

<b>FII (Foreign Institutional Investors)</b>		Branch / Franchisee	Head Office
1.	Certified true copy of SEBI Registration Certificate		
2.	List of Authorized signatories with their specimen signatures		

<b>Banks/Institutional Investors</b>		Branch / Franchisee	Head Office
1.	Letter on the letterhead of the bank, signed by the Chairman/MD authorizing opening of account and authority given to authorized signatories to open and operate the Trading and Demat account.		
2.	Certificate of Incorporation or Copy of RBI Registration in case of Scheduled / Co-operative Banks.		
3.	Copy of the constitution/registration or Annual report/balance sheets for the last 2 financial years.		
4.	List of Authorized signatories with their specimen signatures.		

<b>AOP (Association of Persons)</b>		Branch / Franchisee	Head Office
1.	Object of the association		
2.	Powers of managing committee		
3.	Certified true copy Bye laws.		
4.	Certified true copy of latest IT returns.		
5.	Copy of Balance sheets for the last 2 financial year (to be submitted every year)		

<b>L.L.P (Limited Liability Partnership Firm)</b>		Branch / Franchisee	Head Office
1.	Registration certificate granted by the Registrar to the LLP under the LLP act 2008.		
2.	Declaration, on the letterhead of the LLP signed by all the designated partner/s clearly stating that the within name persons, who are designated partners of the LLP, have been nominated as authorized signatories to open and operate the said Trading and Demat Account on behalf of the L.L.P.		
3.	D. P. I.N (Designated partner Identification Number allotted by the Registrar of Company for each designated partners)		
4.	Verified copy latest IT return and Copy of Balance sheet and Financial statement for last 2 years ( (For Trading Account only)		

<b>Valid documentary proof for Financial Details (Mandatory for client in F&amp;O and Currency Segment)</b>		Branch / Franchisee	Head Office
1.	Copy of ITR acknowledgement		
2.	Copy of annual Accounts		
3.	Copy of form 16 in case of salaried person		
4.	Networth certificate		
5.	Salary slips		
6.	Latest Bank account for last six months.		
7.	Any other relevant documents substantiating owner of assets.		
8.	Self declaration along with relevant supporting documents.		

**NOTE :** All copies of proof/supporting documents must be sign by the client.

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Guidelines	Instructions, KYC checklist, Index	1-7
Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, authorised person and client for trading on exchanges (including additional rights & obligations in case of interest/wireless technology based trading).	8-11
Combined Risk Disclosure Document for (Capital market & Futures & Options segment and Currency Derivatives Segments)	Risk Disclosure Documents (RDD) contains about brief of risk involved i.e. basic and other related risks in Capital Market.	12-14
Guidance Note	Document detailing do's and don'ts for trading on exchange for the education of the investors.	15-16
Policies and Procedures	Document describing significant policies and procedures of the stock broker.	16-19
Rights and Obligations for opening Demat Account	Rights and Obligations of Beneficial Owner and Depository Participant	20-22
Proprietary Trading Disclosure	Disclosure of proprietary trading to clients by Broker	22
Bank Verification	Format of letter to be obtained from bank for verification of signature, address, identity and bank details.	23
Investor Charter	Investor Charter for Depository Participant and Stock Broker	24-31

**Mandatory documents as prescribed by SEBI and voluntary documents in a separate booklet**

I N D E X	Individual
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Mandatory		
Particulars	Significance	Page No.
In-person Verification & Signature Index	Personal interaction with Applicant	2
Know Your Client KYC Form and Brokerage Sheet. DP Tariff (Mandatory for DP)	Profile of Client with Photograph along with details of Banking & DP, Annual Income, Experience and Preferred Segment of Dealing by Client as well as Introducers' details and Document detailing the rate/amount of brokerage and other charge(s) Fatca Declaration and authority for authenticate of Aadhar No. by Beneficiary owner. DP Tariff and Brokerage Structure. Declaration of Nominee.	4-23
Acknowledge From Client	Acknowledgement from client for receiving most important Terms & Condition (MITC). Acknowledgement from Client for receiving copy of mandatory documents prescribed by SEBI and voluntary documents. Disclosure of Minimum Mandatory Terms and Conditions and Most Important Terms Conditions (MITC) to Clients	24-28

Voluntary		
Authority for Running Account	Authority letter for maintaining running account with Broker for funds.	29
Authority for Receiving Digitally Signed Documents	Authorization for receipt of contract notes, bills, Statements of Funds and Securities etc. in digitally signed Electronic Form.	30-32
Availing SMS Facility	Registration for availing SMS facility for trading account.	
Undertaking Cum Authority Letter	For ease of operation while trading	
Authority Letter for Adjustments	Authority to broker for adjustment for funds and securities in different Segment and Exchanges.	
Disclosure of Proprietary	Proprietary Trading Disclosure	
Client Defaulter Declaration	Undertaking by client that he has not been declared as defaulter by SEBI / Various Exchanges / Regulatory bodies / CIBIL etc.	
Authority for Mobile Trading	Securities Trading Using Wireless Technology	
Registration for Mutual Fund Service System (MFSS) Facility	For availing Mutual Fund facility.	
DDPI	Execution of Demat Debit & Pledge instruction (Separately Attached)	

I N D E X		Non-Individual
Particulars	Significance	Page No.
Instructions	Checklist, Instructions for filling KYC Form, IPV, Signature Index – Document Index	1-4
Know Your Client KYC Form and Tariff Sheet and their information	Applicant(s) Profile, Experience, Preferred Segments for trading, Introducers' details, KRA page with Photograph along with details of Banking & DP, Annual Income, CDSL T&C & Documents detailing, Rate/amount of brokerage, DP tariff structure and other charge(s), FATCA/UBO Declaration.	5-25
MITC & R A Disclosure	Acknowledgement from Client for receiving most important Terms & Condition (MITC). Acknowledgement from Client for RA Disclosure of Minimum Mandatory Terms and Conditions and Most Important Terms Conditions (MITC)	27-30

I N D E X		
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Authority for Running Account	Authority letter for maintaining running account with Broker for both funds and securities by clients.	
Authorization for receipt of contract notes, bills statement of funds and Securities etc in digitally signed Electronic Form	Authorization for receipt of contract notes, bills, Statements of Funds and Securities etc. in digitally signed Electronic Form.	
Format for registration for availing SMS Facility	Registration form for availing SMS facility pertaining to trading account.	
Undertaking Cum authority Letter	General authority to broker to facilitate ease of operation while trading	
Authority letter for adjustment for funds and securities in different Segment & Exchanges	Authority to broker for adjustment for funds and securities in different Segment and Exchanges.	
Proprietary Trading Disclosure	Proprietary Trading Disclosure	
Client Defaulter Declaration	Undertaking by client that he has not been declared as defaulter by SEBI / Various Exchanges / Regulatory bodies /CIBIL etc.	
Authority for Mobile Trading Facility	Securities Trading Using Wireless Technology	
Format for registration for Mutual Fund Service System (MFSS) Facility	Registration form for availing Mutual Fund facility.	

I / We have fully understood the distinction and details regarding the Mandatory / Voluntary and agree not to call into question the validity, enforce the ability and applicability of any voluntary agreement(s) / documents(s) or clauses within any voluntary / optional agreement(s) / document(s) under any circumstances whatsoever.

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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, 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 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 and 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 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 chances therein from time to time, and shall be the responsibility in turn of the client to comply with such schedules / procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.

16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued thereunder.

#### **BROKERAGE**

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

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

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

#### **DISPUTE RESOLUTION**

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

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
28. The stock broker, 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 authorised person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the authorised person by the stock exchange and/or termination of the agreement with the authorised person 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, 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 the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

## ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted 'or internet trading. the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted,  
  
non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounce 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 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~ SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the-client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI / stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

## LAW AND JURISDICTION

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

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and Conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology / internet / smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the User name and Password confidential and secure 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 user name / 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 ever. All acts done in the Client's User name / 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 advice of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock broker's/Exchange end for any reason beyond the control of the stock broker/Exchanges.

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

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

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

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

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

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

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

### **1. BASIC RISKS:**

#### **1.1 Risk of HigherVolatility:**

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 n 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., "spot 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 orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

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

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

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

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

## **1.6 Risk of Rumors:**

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

## **1.7 System Risk:**

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

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

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

## **1.8 System/Network Congestion:**

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

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

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

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

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

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



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

## **2.2 Currency specific risks:**

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

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

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

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

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

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

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

## **4. GENERAL**

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

### 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  
  
BSE : [www.bseindia.com](http://www.bseindia.com) NSE : [www.nseindia.com](http://www.nseindia.com)
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 any one.
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 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, 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 Investor Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.



15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts / details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

#### IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

#### DISPUTES / COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock 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/authorised persons 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.

### GENERAL POLICIES & PROCEDURES

1. **Policy for Penny Stocks:** Penny Stock is a stock that trades at a relatively low price and low market capitalization. These types of stocks are generally considered to be highly speculative and high risk because of their low liquidity, large bid-ask spreads, small capitalization and limited following and disclosure.  
  
The client is, therefore, required to exercise due diligence while dealing with penny stocks. Depend on the market condition and RMS Policy of the company, the Trading member shall be at a liberty to refuse, without assigning any reason, any or all orders for purchase or sale of penny stocks or refuse to provide the limit on it as notified by the respective Exchange/SEBI and such discretion of the Trading member shall be binding on the client and losses if any on account of such refusal shall be borne by the client only. Further, in case any inquiry has been raised by SEBI / Exchanges then the requisite information will be provided to such regulatory authorities and any penalty if so levied for whatsoever reason such penalty will be debited to client's ledger account.
2. **Setting up client's exposure limits:** The Trading member shall, without assigning any reason, have the authority to set exposure limits for any or all trades for the client on consideration that it may deem appropriate. The Trading member shall have the sole right to vary/ modify the exposure limits as it may deem fit.
3. **Applicable brokerage rate:** Brokerage will be charged within the limits prescribed by SEBI/Exchange.
4. **Imposition of penalty / delayed payment:** Trading Member shall have the right to impose a penalty/ delayed payment charges, without assigning any reason, in the event of non-payment of any or all dues by the client towards settlement dues, margin requirements, statutory obligations, etc. Trading Member may impose a penalty/delayed payment charges of 21% p.a. on shortages from the actual payment due or at after such time as it may in its discretion deem fit.  
  
The client agrees that trading member may impose fines/penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force. Further, where the trading member has to pay any fine or bear punishment from any authority in connection with/as a consequence of / in relation to any of the orders / trades / deals / actions of the clients, the same shall be borne by the client.  
  
The client agrees to pay to the stock broker brokerage, commission fees all taxes duties, levies imposed by any authority including but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc) transaction expenses etc. as they apply from time to time to the client's account / transactions / services that the client avails from the stockbroker.
5. **Right to sell client's securities or close clients' positions:** Without prejudice to the stock brokers other right (including the right to refer the matter to arbitration), the stockbroker shall be entitled to sell and or liquidate/close out all or any of the client's position without giving notice or without assigning any reason, to the client for nonpayment of margins or other amounts including the pay-in obligations, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations.
- 5a. **Liquidation and Payment Terms:** In case of non-payment /Partial Payment of the outstanding dues including pay-in obligations, margin or other amounts, the stock broker shall be entitled to keep the shares on hold in the Client Unpaid Securities Account (CUSA). Further the stock broker shall be entitled to sell or liquidate the shares lying in the Client Unpaid Securities Account (CUSA) compulsorily on T+2+5 to the extent of ageing debit balance. While calculating ageing balance shall be calculated on the day of selling, only clear credits will be considered.
- 5b. **Provision related to Running Account Settlement and Return of excess securities:** In view of SEBI circular reference no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20th June 2019, the running account authorization w.r.t "securities" shall be deemed to be deleted. However, while doing the fund settlement the stock broker is entitled to retain the funds / securities so held in in Client Collateral / Collateral Account towards any outstanding obligations on the settlement date and may also retain the funds expected to meet margin obligation, calculated in the manner specified by the exchanges. The excess securities so held in client collateral/ collateral account may be released by the stock broker at the time of funds settlement as per the preference opted by the client.

Any and all losses and financial charges on account of such liquidations/closing out shall be charged to & borne by the client. In case the payment of the margin/security is made by the client through a bank instrument (cheque etc), the stock-broker shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the aid bank instruments etc. at the absolute discretion of the stock broker. Where the margin/securities is made available by way of securities, the stock broker is empowered to decline its acceptance as margin/securities &/or to accept it at such reduced value by applying appropriate haircuts..

6. **Shortages in obligations arising out of internal netting of trades:** Trading Member shall be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation/clearing house or other company or entity liable to made the payment and the client has fulfilled his/her/its obligations first.

The policy and procedure for settlement of shortages in obligation arising out of internal netting of trades is as under:

- (1) The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/Payout Day. The securities delivered short are purchased from market on T+3 day which is the Auction Day on Exchange, and the purchase consideration ( inclusive of all statutory taxes & levies ) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- (2) If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+3 day or Auction day on Exchange +10% Where the delivery is matched partially or fully at the Exchange Clearing , the delivery and debits/credits shall be as per Exchange Debits and Credits.
- (3) Incase of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure /record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till auction day.

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

8. **Temporary suspending or Closing a client's account at the client's request: Temporary Suspension:** On the request of the client in writing mentioning the valid reason for suspension, the client account can be suspended temporarily and same can be activated on the written request of the client only. We also accept the request of the client received via email. During the period client account is suspended, any market transactions in the client account will be prohibited. However, client's shares/ledger balance settlement can take place. The stock broker can with hold the payouts of clients and suspend his trading account due to his surveillance action or judicial or/and regulatory order/action requiring client suspension.

**Closure:** On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to re-open the account in that case client has to again complete the KYC requirement.

9. **Inactive/ Dormant Client Account:** Client account will be considered as inactive if the client does not trade for the period of one year. However, in case the request for reactivation of the account is made by the client through email, SMS, or letter and the client do not trade then the said account shall remain active only till the last day of the subsequent month from the date of re-activation.

10. **De-registering a client :** Not withstanding anything to the contrary stated in the agreement, trading member shall, without assigning any reason, be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- (1) If the action of the client are prima facie illegal/ improper or such as to manipulate the price of any securities or disturb the normal /proper functioning of the market, either alone or in conjunction with others/SEBI debarred entities.
- (2) If there is any commencement of a legal process against the Client under any law in force ;
- (3) On the death/lunacy or other disability of the Client;
- (4) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (5) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (6) If the Client being a partnership firm, has any steps taken by the Client and / or its partners for dissolution of the partnership;
- (7) If the Client have taken or suffered to be taken any action for its reorganization , liquidation or dissolution;
- (8) If the Client has made any material misrepresentation of facts, including but not limited in relation to Security offered by the Client ;
- (9) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable.
- (10) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with Trading member;
- (11) If the Client is in breach of any terms, condition or covenant of this Agreement;
- (12) If any covenant or warranty of the Client is incorrect or untrue in any material respect.

However, notwithstanding any termination of the agreement, all transactions made under/pursuant to this agreement shall be subject to all the terms and conditions of this agreement and parties to this agreement submit to exclusive jurisdiction of court in Mumbai.

I / We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These General Policies & Procedures may be amended / changed unilaterally by the Trading member , provided the change is informed to me/us with through any one or more means or method of communication. I/we agree never to challenge the same on any grounds including delayed receipt/non-receipt of any other reasons whatsoever. These policies and Procedures shall always be read always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and stock broker before any court of law/judicial / adjudicating authority including arbitrator/mediator etc.

## **Policy on Handling of Good Till Date (GTD) Orders**

- A Good Till Date (GTD) order is a type of order placed on the trading platform that remains Active until a specified expiration date. Unlike immediate or day orders that expire at the end of the trading day if not executed, GTD orders persist in the market until they are either executed, cancelled by the trader, or the specified expiration date is reached. This type of order allows traders to specify the duration for which their order remains valid, providing flexibility and control over their trading strategies.
- GTD orders can be placed via the Savashare 2.0 Mobile App, Swift Trade (Web version), Power Trade (Desktop version), or by contacting CRM.
- GTD orders will remain active in the system until 365 days from the date of the order placement, Post completion of 365 days, order will get cancelled by the system.
- GTD order placement is subject to available of sufficient buying limit/holdings being maintained in your account. If the order is placed during market hours, buying limit/holdings are immediately validated. If placed after-market hours, buying limit/holdings are validated when the market opens, and the order is sent to the exchange. If the order is rejected, it can be viewed in the Surveillance failed Report.
- If the price of a GTD order falls outside the DPR (Daily Price Range), the exchange will reject the order when it sent to the market during the day, but the GTD order status will remain ACTIVE. If the exchange changes the price range during the day, a new order will not be sent, as the original order for the day was already rejected.
- After 8:45 a.m. if the status of GTD order shows "**XMITTED**" in the GTD order book then it cannot be modified or cancelled. Changes can only be made once the order moves to the open order book.

### **Handling of GTD orders in case Corporate Actions:**

- Intimation will be sent to the client 3 days prior to Ex-Date until a day prior to the Ex-Date who hold GTD Open/Active orders in the stock which have scheduled corporate action.
- The corporate action which affects the price of the stock largely like Bonus, Stock split etc., client is advise to either cancel placed GTD orders & replace the new orders based on the ratio defined in the corporate action before the end of day prior to the Ex-Date. If no action has been taken by the client based on the corporate action on placed GTD orders, then such orders will remain ACTIVE in the system as it is until the expiry date of the GTD orders (As per the criteria defined above in Points).
- The said policy shall be made part of the Account Opening KYC Form under Policy and Procedures document and shall also be displayed on our website.
- The said policy will be reviewed and updated on a periodic basis or as per the circulars / guidelines issued by SEBI / exchanges from time to time whichever is earlier.

**Disclaimer:** In any circumstances if the placed GTD orders where Corporate Action is scheduled are not cancelled or modified by the client prior to the Ex-Date then nowhere Sushil Finance will be held responsible for any loss arises out of the same & it will be Solely responsibility of the client.

## **Policy for Voluntary Freezing/Blocking of the Online Trading Account on Suspicious Activity**

### **1. Introduction**

This policy has been introduced as per SEBI Circular no. SEBI/HO/MIRSD/POD-1/P(CIR/2024/4 dated January 12, 2024, NSE Circular no. NSE/INSP/61529 dated April 08, 2024, BSE circular no.20240408 – 12 dated April 08,2024, regarding the "Ease of Doing Investments by Investors - Facility of voluntary freezing/blocking of Trading Accounts by Clients."

This policy outlines the process and modes for clients of Sushil Financial Services Private Limited (hereinafter referred to as SFSPL), to request the freezing/blocking and unfreezing/unblocking of their online trading account. It also details the timelines, client responsibilities, and other pertinent information.

### **2. Purpose**

The procedures outlined herein are as per the regulatory requirements in the aforementioned circulars. Clients are requested to note that these guidelines facilitate the freezing/blocking of their online trading accounts upon their explicit request if they notice any suspicious activity, such as:

- Unauthorized fresh positions
- Unauthorized sale of holdings
- Inability to access the account
- Others – Please specify

### **3. Scope and Applicability**

This policy applies to All Online Clients of SFSPL.

### **4. Periodic Review**

This policy, being an integral part of SFSPL internal Risk Management Policy, shall be reviewed annually or as needed to remain updated with requirement of regulatory changes. Changes to this policy will be made and approved by Management.

### **5. Procedure to Freeze/Block the Online Trading Account**

#### **5.1 Timelines**

Upon a client's explicit request to block online access to their trading account through any of the modes mentioned below in section 5.2. SFSPL personnel will aim to fulfill the request as follows:

Scenario	Timelines for issuing acknowledgement as well as freezing/blocking of the online access of the trading account
Request received during the trading hours and within 15 mins before start of trading.	Within 15 Mins
Request received after the trading hours and 15 min before the start of trading	Before the start of next trading session

#### **5.2 Mediums**

Clients can intimate about the freezing/blocking via:

- a. Email:** stoptrade@sushilfinance.com/etrade@sushilfinance.com  
**b. Phone:** 022- 40934032/40934094/40934095 (8:30 am - 5:00 pm)

#### **5.3 Verification**

- a. Calls:** Client request should come from its registered mobile number.  
**b. Email:** Client should send email from its registered email id and provide information about the nature of suspicious activity.

#### **5.4 Basic Checks & Initial Steps**

SFSPL personnel will conduct basic checks as a part of the due diligence. Client must cooperate and provide the necessary information as demanded, in order for them to consider & proceed with the request.

Upon successful verification of the client after understanding the reasons for Blocking/Freezing, SFSPL based on such instruction received from the client will act in accordance and will send a communication on registered mobile number and registered email id of the client stating that the online access to the trading account has been frozen/blocked and all pending orders in the client's trading account, if any, have been cancelled.

#### **5.5 Liability Wavier**

Any losses or charges, if any, incurred due to the cancellation of open orders or positions will have to be borne by the client.

### **6. Procedure to Unfreeze/Unblock the Online Trading Account**

Clients can unfreeze/unblock their trading accounts by raising a request via any of the modes prescribed in section 5.2. and clients will be informed of their request status accordingly.

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



## **Statement of account**

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

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

18. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
19. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

## **Default in payment of charges**

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

## **Liability of the Depository**

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

## **Freezing / Defreezing of accounts**

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

## **Redressal of Investor grievance**

25. 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

26. 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

27. 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.
28. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
29. 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.
30. 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
31. 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.
32. 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.

### Disclosure Information (For PRO Account Trading)

**Mandatory**

To,

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

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

Dear Sir,

This is to inform you that we do client based trading and Pro-account trading in National Stock Exchange of India Ltd. (NSE)/Bombay Stock Exchange Ltd. (BSE)

Thanks and best regards,

**For Sushil Financial Services Private Limited**

**Authorised Signatory**

**Note :** Being a Computerised printout hence signature is not required.

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**DO NOT  
STAPLE**



## INVESTOR CHARTER – DEPOSITORY PARTICIPANT

### 1. **Vision :**

Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.

### 2. **Mission :**

To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.

To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.

To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights

### 3. **Details of business transacted by the Depository and Depository Participant (DP):**

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP)

Detail available on below link

<https://www.cdslindia.com/DP/dplist.aspx>.

### 4. **Description of services provided by the Depository through Depository Participants (DP) to investors**

#### 1. Basic Services

Sr No	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
1	Dematerialization of securities	7 days
2	Rematerialization of securities	7 days
3	Mutual Fund Conversion/De-statementization	5 days
4	Re-conversion/ Restatementisation of Mutual fund units	7 days
5	Transmission of securities	7 days
6	Registering pledge request	15 days
7	Closure of demat account	30 days
8	Settlement Instruction	Depositories to accept physical DIS for pay-in of securities upto 4 p.m. and DIS in electronic form upto 6 p.m. on T+1 day

#### 2. **Depositories provide special services like pledge, hypothecation, internetbased services etc. in addition to their core services and these include :**

Sr. No	Type of Activity /Service	Brief about the Activity / Service
1	Value Added Services	Depositories also provide value added services such as: <ol style="list-style-type: none"> <li><u>Basic Services Demat Account (BSDA)</u></li> <li><u>Transposition cum Dematerialisation</u></li> <li><u>Linkage to Clearing System</u></li> <li>Distribution of cash and non cash Corporate benefits (Bonus, Rights, IPOs etc) Stock Lending Demat NSC /KVP Demat of ware House Receipt</li> </ol>
2	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in previous month) or half yearly (if no transactions).

Sr. No	Type of Activity /Service	Brief about the Activity / Service
3	Digitalization of services provided by the depositories	<p>Depository offer below technology solutions and E facilities to their demat Account Holder through DPs.</p> <ol style="list-style-type: none"> <li><u>E -Account Opening</u></li> <li><u>Online Instruction for Execution</u></li> <li><u>E-DIS /Demat Gateway</u></li> <li><u>E CASA Facility</u></li> <li><u>Miscellaneous Services</u></li> </ol>

#### 5. **Details of Grievance Redressal Mechanism:**

Sr No		
1	Investor Complaint/ Grievances	<p>Investor can lodge complaint/ grievance against the Depository/DP in the following ways:</p> <ol style="list-style-type: none"> <li>Electronic mode <ol style="list-style-type: none"> <li>SCORES (a web based centralized grievance redressal system of SEBI) <p><a href="https://www.scores.gov.in/scores/Welcome.html">https://www.scores.gov.in/scores/Welcome.html</a></p> </li> <li>Respective Depository's web portal dedicated for the filing of complaint <p><a href="https://www.cdslindia.com/Footer/grievances.aspx">https://www.cdslindia.com/Footer/grievances.aspx</a></p> </li> <li>Emails to designated email IDs of Depository <p>Emails to designated email IDs of Depository( CDSL) <a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a></p> </li> </ol> </li> <li>Offline Mode <p><u>Grievance Redressal Mechanism</u></p> <p>The complaints/ grievances lodged directly with the Depository shall be resolved within 21 days.</p> </li> </ol>
2	Online Dispute Resolution ( ODR) Platform for online Conciliation and Arbitration	<p>If the Investor is not satisfied with the resolutions provided by DP or other market participant then the Investor has option to file the Complaint /Grievances on SMARTODR platform for its resolution through by online or arbitration</p>

		<u>SMART ODR</u>
3	Steps to be followed in ODR for Review Conciliation and Arbitration	<p>Investor to approach Market Participant for redressal of complaint</p> <p>If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal.</p> <p>Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.</p>

		<u>SMART ODR</u>
3	Steps to be followed in ODR for Review Conciliation and Arbitration	<p>Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the Market Participant and investor within 21 days.</p> <p>If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter case for conciliation.</p> <p>During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator.</p> <p>If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days.</p>

**6. Guidance pertaining to special circumstances related to market activities: Termination of the Depository Participant**

Sr No	Type of special circumstances	Timelines for the Activity/ Service
1	Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges. Participant surrenders the participation by its own wish.	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email

<p><b><u>7. Dos and Dents for Investor</u></b></p> <p><b><u>8. Rights of Investor</u></b></p> <p><b><u>9. Responsibilities of Investor</u></b></p> <p><b><u>10. Code and Conduct of Depositories</u></b></p> <p><b><u>11. Code and Conduct of Participants</u></b></p>	<p><a href="https://www.cdslindia.com/Investors/InvestorCharter.html">https://www.cdslindia.com/Investors/InvestorCharter.html</a></p>
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## 1. VISION:

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

## 2. MISSION:

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

## 3. Services provided to Investors by stockbrokers include

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

## 4. Rights of Investors

- I. Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself (including website providing mandatory information).
- II. Receive complete information about the risks, obligations, and costs of any investment before investing.
- III. Receive a copy of all completed account forms and rights & obligation document.
- IV. Receive a copy of ‘Most Important Terms & Conditions’ (MITC).
- V. Receive account statements that are accurate and understandable.
- VI. Understand the terms and conditions of transactions you undertake.
- VII. Access your funds in a prescribed manner and receive information about any restrictions or limitations on access.
- VIII. Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties in form of tariff sheet.
- IX. Discuss your grievances with compliance officer / compliance team / dedicated grievance redressal team of the firm and receive prompt attention to and fair consideration of your concerns.

- X. Close your zero balance accounts online with minimal documentation
- XI. Get the copies of all policies (including Most Important Terms and Conditions) of the broker related to dealings of your account
- XII. Not be discriminated against in terms of services offered to equivalent clients
- XIII. Get only those advertisement materials from the broker which adhere to Code of Advertisement norms in place
- XIV. In case of broker defaults, be compensated from the Exchange Investor Protection Fund as per the norms in place
- XV. Trade in derivatives after submission of relevant financial documents to the broker subject to brokers' adequate due diligence.
- XVI. Get warnings on the trading systems while placing orders in securities where surveillance measures are in place
- XVII. Get access to products and services in a suitable manner even if differently abled
- XVIII. Get access to educational materials of the MIIs and brokers
- XIX. Get access to all the exchanges of a particular segment you wish to deal with unless opted out specifically as per Broker norms
- XX. Deal with one or more stockbrokers of your choice without any compulsion of minimum business
- XXI. Have access to the escalation matrix for communication with the broker
- XXII. Not be bound by any clause prescribed by the Brokers which are contravening the Regulatory provisions.

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

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	3 working days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading
5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade
8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	First Friday/Saturday of the month / quarter as per Exchange pre-announced schedule
10.	'Statement of Accounts' for Funds, Securities and Commodities	Monthly basis
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	21 calendar days from the receipt of the complaint

## 6. DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> <li>1. Read all documents and conditions being agreed before signing the account opening form.</li> <li>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.</li> <li>3. Read the product / operational framework / timelines related to various Trading and Clearing &amp; Settlement processes.</li> <li>4. Receive all information about brokerage, fees and other charges levied.</li> <li>5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.</li> <li>6. If executed, receive a copy of Demat Debit and Pledge Instruction (DDPI) However, DDPI is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting DDPI, carefully examine the scope and implications of powers being granted.</li> <li>7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT/CTT etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities/ commodities on time, as prescribed by SEBI or exchange from time to time.</li> <li>9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.</li> <li>10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (Monthly or Quarterly).</li> <li>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</li> <li>12. Retain documents for trading activity as it helps in resolving disputes, if they arise.</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not deal with unregistered stock broker.</li> <li>2. Do not forget to strike off blanks in your account opening and KYC.</li> <li>3. Do not submit an incomplete account opening and KYC form.</li> <li>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.</li> <li>5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.</li> <li>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.</li> <li>7. Do not opt for digital contracts, if not familiar with computers.</li> <li>8. Do not share trading password.</li> <li>9. Do not fall prey to fixed / guaranteed returns schemes.</li> <li>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.</li> <li>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments</li> </ol>

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

## 7. Grievance Redressal Mechanism

The process of investor grievance redressal is as follows:

1.	Investor complaint/Grievances	<p>Investor can lodge complaint/grievance against stock broker in the following ways:</p> <p><u>Mode of filing the complaint with stock broker</u></p> <p>Investor can approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 21 days of the receipt of the grievance</p> <p><u>Mode of filing the complaint with stock exchanges</u></p> <p>i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI)</p> <p><a href="https://scores.sebi.gov.in">https://scores.sebi.gov.in</a></p> <p><u>Two level review for complaint/grievance against stock broker:</u></p> <ul style="list-style-type: none"> <li>• First review done by Designated body/Exchange</li> <li>• Second review done by SEBI</li> </ul> <p>ii. Emails to designated email IDs of Exchange</p>
2.	Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration	<p>If the Investor is not satisfied with the resolution provided by the Market Participants, then the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through online conciliation or arbitration.</p>
3.	Steps to be followed in ODR for Review, Conciliation and Arbitration	<ol style="list-style-type: none"> <li>1. Investor to approach Market Participant for redressal of complaint</li> <li>2. If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options: <ol style="list-style-type: none"> <li>i. May escalate the complaint on SEBI SCORES portal.</li> <li>ii. May also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.</li> </ol> </li> <li>3. Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavor to resolve the matter between the Market Participant and investor within 21 days.</li> <li>4. If the matter could not be amicably resolved, then the matter shall be referred for conciliation.</li> <li>5. During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator with consent of the parties to dispute.</li> <li>6. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.</li> <li>7. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days with consent of the parties to dispute.</li> </ol>



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

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

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

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

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

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

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## Sushil Financial Services Private Limited.

CIN No. U67120MH1991PTC063438

SEBI Registration No: INZ000165135

Research Analyst SEBI Registration No.- INH000000867

Member of Bombay Stock Exchange Ltd. (BSEL)

Member of The National Stock Exchange of India Limited (NSEIL)

Depository Participant of Central Depository Services (I) Ltd. (CDSL)

SEBI Registration No: IN-DP-504-2020

IPO Distributor. AMFI Registered Mutual Fund Distributor ARN No. 77875

Registered Since : 04-Jan-2010 Valid till : 03-Jan-2027.

## Investor Services E-mail ID & Contact

Exchange (S)	Email ID	Contact No.
BSE	is@bseindia.com	022-22728517
NSE	ignse@nse.co.in	18002660058
CDSL	complaints@cdslIndia.com	1800-22-5533

Regd. Off / Correspondence: 12, Homji Street, Fort, Mumbai 400 001. India

Tel: +91-022-4093 6000 Fax: 91-22-2266 5758

Email: [info@sushilfinance.com](mailto:info@sushilfinance.com) | Website: [www.sushilfinance.com](http://www.sushilfinance.com)

Grievance Email: [compliance@sushilfinance.com](mailto:compliance@sushilfinance.com)

Name of Compliance Officer: Mr. Suresh Nemani

Email: [suresh.nemani@sushilfinance.com](mailto:suresh.nemani@sushilfinance.com)

Tel: +91-22-40935000

For any assistance related to account opening  
kindly connect us on

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