

# INVESTEC CAPITAL SERVICES (INDIA) PRIVATE LIMITED

## ACCOUNT OPENING KIT

FOR

CORPORATES

MARCH 2022

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## MANDATORY DOCUMENT

(To be filled and signed by the Client)

➤ Stock broker: INVESTEC CAPITAL SERVICES (INDIA) PRIVATE LIMITED

➤ Date of Registration: 29<sup>th</sup> April 2015

Name of Stock Exchange	SEBI Registration No	Member Code
National Stock Exchange India Limited	INZ000007138	90054
BSE Limited	INZ000007138	6594

➤ Registered office address: Parinee Crescenzo, B Wing, 11<sup>th</sup> Floor, 1103 & 1104, Bandra-Kurla Complex, Bandra East, Mumbai 400 051

Ph: +91-22-6849 7400 Fax: +91-22-6849 7495

Website: [www.investec.com](http://www.investec.com)

➤ Correspondence office address: Parinee Crescenzo, B Wing, 11<sup>th</sup> Floor, 1103 & 1104, Bandra-Kurla Complex, Bandra East, Mumbai 400 051

Ph: +91-22-6849 7400 Fax: +91-22-6849 7495

Website: [https://www.investec.com/en\\_in/welcome-to-investec.html](https://www.investec.com/en_in/welcome-to-investec.html)

➤ Compliance Officer:

Name: Mr Kaillash Sharma

Contact No: +91-22-6849 7482

Email ID: [Kaillash.sharma@investec.co.in](mailto:Kaillash.sharma@investec.co.in)

➤ Head Of Equities:

Name: Mr: Mukul Kochhar

Contact No: +91-22-6849 7431

Email ID: [mukul.kochhar@investec.co.in](mailto:mukul.kochhar@investec.co.in)

➤ For any grievance/dispute please contact Investec Capital Services (India) Private Limited at the above address or Phone no. 91-22-68497400 or Email Id- [regulator-correspondence@investec.co.in](mailto:regulator-correspondence@investec.co.in).

➤ In case not satisfied with the response, please contact the concerned exchange(s) at below mentioned contacts:

Name of Stock Exchange	Web Address	Contact Number	Email ID
National Stock Exchange India Limited	<a href="http://www.nseindia.com">www.nseindia.com</a>	1 800 220 058	<a href="mailto:ignse@nse.co.in">ignse@nse.co.in</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>	+91 22 22728097	<a href="mailto:is@bseindia.com">is@bseindia.com</a>

## **Guidelines on Technical Glitches to prevent business disruptions**

We wish to inform you that Exchanges vide their circulars (links – [NSE-  
https://www1.nseindia.com/content/circulars/COMP50610.pdf](https://www1.nseindia.com/content/circulars/COMP50610.pdf) / [BSE](#)) dated December 15, 2021 have issued guidelines for technical glitches to prevent business disruptions including to follow specific BCP requirements. In this connection, we would like to inform you that though the para IV of the said circulars on BCP/DR are not applicable to Investec Capital Services Private Limited, we ensure that there is continuity of business and stability in operations in case of any technical glitches, so that interest of investors and market at large is not adversely impacted. Accordingly, Investec already has a Business Continuity/DR set up at Vikhroli east, Mumbai around 13 kms away from the Registered Office (Primary Location) to ensure business continuity in case of any business disruptions. Further, we have well documented BCP policy and processes which are reviewed on annual basis including carrying out periodic drills wherein testing is carried out for all our critical applications and systems.

This is for your information.

### Account Opening Form

1) Name of the Applicant: \_\_\_\_\_

2) Date of incorporation: \_\_\_\_\_ Place of Incorporation: \_\_\_\_\_

3) Date of commencement of business: \_\_\_\_\_

4) A. PAN Number (Issued by the Government of India): \_\_\_\_\_

B. Registration Number / Corporate Identification Number allotted by any government / relevant statutory authority in the home country of the Client: \_\_\_\_\_

5) Details:

A. Status (Please tick any one) :

Private Limited Company	<input type="checkbox"/>	Public Limited Company	<input type="checkbox"/>
Body Corporate	<input type="checkbox"/>	LLP	<input type="checkbox"/>

Others (Please Specify) \_\_\_\_\_

B. Ultimate Beneficial Owner (UBO)

List Attached	<input type="checkbox"/>
No UBO over 25%- Please attach the declaration	<input type="checkbox"/>

6) Contact Details: Tel. \_\_\_\_\_ Fax: \_\_\_\_\_

Email Id: \_\_\_\_\_ Mobile: \_\_\_\_\_

7) Correspondence Address (Please refer point "C" of Instruction/Checklist for filling KYC FORM):

\_\_\_\_\_

\_\_\_\_\_

City / Town / Village: \_\_\_\_\_ Pin Code (Zip): \_\_\_\_\_

State: \_\_\_\_\_ Country: \_\_\_\_\_

Specify the proof of address submitted for Correspondence address:

\_\_\_\_\_

8) Registered Address (if different from correspondence address ) (Please refer point “C” of Instruction / Checklist for filling KYC FORM):

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City / Town / Village: \_\_\_\_\_ Pin Code (Zip): \_\_\_\_\_

State: \_\_\_\_\_ Country: \_\_\_\_\_

Specify the proof of address submitted for Correspondence address:

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9) DIN (Director Identification Number) if available OR any other Identification Number

Full Name	DIN / Equivalent Identification Number

## TRADING ACCOUNT RELATED DETAILS

### 1) BANK ACCOUNT (S) DETAILS

Bank Name	Branch Address	Branch Account No.	Account Type: Saving/ Current/ Others – In case of NRI/NRE/NRO	MICR Number	IFSC Code

### 2) Depository Account (S) Details

Depository Participant Name	Depository Name (NSDL/CDSL)	Beneficiary Name	DP ID	Beneficiary ID (BO ID)

### 3) TRADING PREFERENCES

Please sign-in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.

Stock Exchange	Segment	Signature
National Stock Exchange of India	Cash / Equity Derivatives	_____
Bombay Stock Exchange Ltd	Cash	_____

In future, if the client wants to trade on any new segment / new exchange, separate authorization letter will be required from the client.

### 4) Gross Annual Income Details (please specify): **Income Range per annum**

Below Rs 1 Lac  / 1 to 5 Lac  / 5 to 10 Lac  / 10 to 25 Lac  / 25 Lacs to 1crore  / > 1 crore

5) Net-worth as on (date) \* \_\_\_\_\_ (dd/mm/yyyy): \_\_\_\_\_

a. (\*Net worth should not be older than 1 year)

6) Please tick, (if applicable) for any of your authorized signatories / Promoters / Whole time directors:

a. Politically Exposed Person (PEP)  / Related to a Politically Exposed Person (PEP) /No PEP

7) DEALINGS THROUGH OTHER STOCK BROKERS (if applicable)

Whether dealing with any other stock broker (if in case dealing with multiple stock brokers provide details of all)

a. Name of stock broker: \_\_\_\_\_

b. Client Code: \_\_\_\_\_ Exchange: \_\_\_\_\_

c. Details of disputes / dues pending from / to such stock broker : \_\_\_\_\_

8) PAST ACTIONS:

Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9) ADDITIONAL DETAILS

a. Number of years of Investment / Trading Experience: \_\_\_\_\_

b. Name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company: (In case space is insufficient, please attach a separate sheet in the same format)

Name of The Authorized Signatory	Designation	PAN	UID Number	Residential Address	Affix Photograph and Sign Across	Signature



10) Any other information:

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11) SETTLEMENT RELATED DETAILS

Name of the Local Custodian in India	
Securities / Safe Keeping Account Number	
Depository Participant Name	
Depository Name (NSDL / CDSL)	
Beneficiary Name	
DP ID	
Beneficiary Owner ID (BO ID)	
OASYS / CTM	Block level <input type="checkbox"/>
Acronym	Allocation level <input type="checkbox"/>
_____	

**DECLARATION**

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker and the tariff sheet.
3. I/We further confirm having read and understood the contents of the 'Rights and obligations' document(s) and 'Risk Disclosure Document'. I/We do hereby agree to be bound by such provisions as outlined in these documents. I/We have also been informed that the standard set of documents has been displayed for Information on stock broker's designated website.

Place: \_\_\_\_\_

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

\_\_\_\_\_  
Signature of Client / Authorized Signatory (ies)\*

*\*Form need to be initialized by all the authorized signatories.*

**FOR OFFICE USE ONLY**

UCC Code allotted to the Client: \_\_\_\_\_

	Documents verified with Originals	Client Interviewed by
Name of the Employee		
Employee Code		
Designation of the employee		
Date		
Signature		

I / We undertake that we have made the client aware of 'Policy and Procedures', tariff sheet and all the non-mandatory documents. We have also made the client aware of 'Rights and Obligations' document (s), RDD and Guidance Note. We have given/sent him a copy of all the KYC documents. We undertake that any change in the 'Policy and Procedures', tariff sheet and all the non-mandatory documents would be duly intimated to the clients. We also undertake that any change in the 'Rights and Obligations' and RDD would be made available on our website, if any, for the information of the clients.

\_\_\_\_\_

Signature of the Authorized Signatory

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

\_\_\_\_\_  
Seal / Stamp of INVESTEC CAPITAL SERVICES (INDIA) PRIVATE LIMITED

## **INSTRUCTION/ CHECKLIST FOR FILLING KYC FORM**

### **A. IMPORTANT POINTS:**

1. Self-attested copy of PAN card is mandatory for all clients, including Promoters/Parents/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the list mentioned under [E]
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent addresses are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity. If you are a sole proprietor, please use the KYC Application Form for Individuals
7. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
8. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

### **B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:**

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
- (1) Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks job card issued by NREGA duly signed by an officer of the state Government, the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number or any other document as notified by the central Government in consultation with the Regulations:

Provided that where simplified measures are applied for verifying the identity of the clients the following documents shall be deemed to be officially valid documents:-

- a) identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;
- b) letter issued by a gazetted officer, with a duly attested photograph of the person.

**C. Proof of Address (POA):**

List of documents admissible as Proof of Address: (\*Documents having an expiry date should be valid on the date of submission)

1. Latest Land Line Telephone Bill
2. Latest Electricity Bill
3. Latest Bank Passbook / Bank Account Statement (Not More Than 3 months old)
4. Registered Lease / Sale Agreement of office premises
5. Proof of Address issued by Bank Managers of Scheduled Commercial Banks / Scheduled Co-Operative Banks/ Multinational Foreign Banks / Gazetted Officer / Notary Public / Elected Representatives to the Legislative Assembly / Parliament/ Any other document approved by AMFI as a valid address proof
6. Registration Certificate issued under Shops and Establishments Act

\*Documents having an expiry date should not be more than three months old as on the date of submission of this form.

**D. Exemptions/clarifications to PAN (\*Sufficient documentary evidence in support of such claims to be collected.)**

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds up to Rs. 50,000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

**E. List of people authorized to attest the documents:**

1. Notary Public Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks. Documents need to be certified true by Director / Company Secretary. Name, Designation & Seal should be affixed on the copy.
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, and Indian Embassy/Consulate General in the country where the client resides are permitted to attest the documents.

## DOCUMENT REQUIREMENTS

1. Certified copy of PAN Card of Client
2. Copy of Incorporation Certificate, Memorandum and Articles of Association
3. Address proof of the Client
4. A resolution from the Board of Directors whereby authorization is granted to its officials to transact on its behalf
5. Photograph, Proof of Identity, Proof of Address, DIN numbers of whole time directors and individual promoters holding control, either directly or indirectly
6. Photograph, Proof of Identity, Proof of Address, PAN of Individual promoters Holding Control – either Directly or Indirectly.
7. Copy of PAN Card of persons authorized to transact on behalf of the client.
8. Copy of Balance sheets for two financial years (to be submitted every year)
9. Copy of latest shareholding pattern including list of all those holding control, either directly or indirectly, in the company (to be submitted every year)
10. List of authorized signatories with specimen signatures

In addition to above, as per the SEBI requirements, the identification of ultimate owners (natural person), who are controlling the ownership interest in the client, need to be done. Controlling ownership means, ownership of or entitlements to more than 25% of the shares or capital or profits of the company.

- a) If there is any difficulty in identifying whether the person with controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means (voting rights, agreement, arrangement or in any other manner), should be identified.
- b) If there is any difficulty in identifying the relevant natural person as above, identity of relevant natural person who holds the position of senior managing official should be verified.

Exception: if the client or the owner of the controlling interest is a listed company, or is a majority-owned subsidiary of such a listed company, identification and verification of the shareholder or beneficial owners of such companies is not necessary

### **Please Note:**

Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by any of the authorities as specified under (E ) in given above checklist.

MANDATORY DOCUMENTS  
(FOR INFORMATION ONLY)

## **RIGHTS AND OBLIGATIONS OF STOCK BROKER AND CLIENTS**

***(as prescribed by SEBI and Stock Exchanges)***

1. The client shall invest/trade in those securities / contracts /other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker 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 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.

### **CLIENT INFORMATION**

6. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
7. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
8. The client shall immediately notify the 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.
9. The stock broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

### **MARGINS**

10. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The 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.



11. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

#### **TRANSACTIONS AND SETTLEMENTS**

12. The client shall give any order for buy or sell of a security / derivatives Policy in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
13. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
14. The stock broker shall ensure that the money/securities 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.
15. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
16. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued 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**

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

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

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

20. 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**

21. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
22. 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.
23. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued there under as may be in force from time to time.
24. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
25. 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**

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

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

28. 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.
29. 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.
30. 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, 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.

31. 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.
32. 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.
33. 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.
34. 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)**

35. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
36. 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.
37. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
38. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
39. 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.

40. 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**

41. In addition to the specific rights set out in this document, the stock broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
42. 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.
43. 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.
44. 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.
45. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
46. 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, only in the case Investec Capital Services (India) Pvt Ltd is engaged in providing Internet Based Trading)**

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

interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

**RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENT**

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

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

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

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

**1. BASIC RISKS:**

**1.1. Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that a security / derivatives contracts undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security / derivatives contracts, 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 / derivative Contract 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 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 contracts.

## **1.3. Risk of Wider Spreads:**

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

## **1.4. Risk-reducing orders:**

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

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

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, and such order gets activated if and when the security / derivatives contracts 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 contracts 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 contracts 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 contracts 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.

## **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 contracts due to any action on account of unusual trading activity or security hitting circuit filters or for any other reason.

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

1.8.1. 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 stockbroker 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 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.

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

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

BEFORE YOU BEGIN TO TRADE
<ol style="list-style-type: none"> <li>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 <a href="http://www.nseindia.com">www.nseindia.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a> and SEBI website <a href="http://www.sebi.gov.in">www.sebi.gov.in</a></li> <li>2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>6. Obtain a copy of all the documents executed by you from the stock broker free of charge.</li> <li>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.</li> </ol>
TRANSACTIONS AND SETTLEMENTS
<ol style="list-style-type: none"> <li>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.</li> <li>9. Don't share your internet trading account's password with anyone.</li> <li>10. Don't make any payment in cash to the stock broker.</li> <li>11. Make the payments by account payee cheque in favour of the stock broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.</li> <li>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.</li> <li>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</li> </ol>

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 calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

#### IN CASE OF TERMINATION OF TRADING MEMBERSHIP

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

the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker 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 brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## **Policies and Procedures of Investec Capital Services (India) Private Limited**

### **1. Refusal of orders for penny stocks**

Investec Capital Services (India) Private Limited (ICSPL) shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid securities which as per the perception of ICSPL are extremely volatile or subject to market manipulation.

ICSPL shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client.

For the purposes of identification of Penny stocks / Illiquid securities, ICSPL would consider the list of illiquid securities drawn up by Stock Exchanges. This list is available on the Stock Exchange websites.

### **2. Setting up client's exposure limits**

ICSPL may, from time to time impose and vary limits on the orders that the clients may place (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.) based on its internal risk management framework.

### **3. Applicable brokerage rate**

Brokerage will be charged within the limits prescribed by SEBI / Stock Exchanges. The brokerage and other charges (including and other statutory levies thereon) shall be communicated to the client at the time of registration and any variation would be done as mutually agreed with the Client.

### **4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period**

Pursuant to SEBI regulations and Exchange Bye-laws, the stock broker is currently required to make pay-in of funds and arrange delivery of securities to the exchange as per the settlement schedules. Further the stock broker is also required to maintain adequate exposure margins prior to placing trades with the exchange. In addition, the exchanges have also prescribed that stock brokers should have prudent risk management policy commensurate with its business, to facilitate smooth settlement of client's trade obligations.

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their pay in/margin obligation on time as per the exchange settlement schedule at the rate upto 2% per month. The levy of late pay-in/delayed payment charges will be as per the sole discretion of ICSPL and shall be communicated to the client as appropriate. A delayed payment charge is only a penal measure. The Client should not construe it as a funding arrangement.

Further where the stock broker has to pay any fine or bear any punishment from stock exchanges or regulatory authority or any registered intermediary in connection with/ as a consequence of or in relation to any of the orders/ trades/ deals actions of clients the same shall be borne by the client.

Similarly, ICSPL will be liable to pay delayed payment charges to the client for not making payment of their obligation on time, as per the exchange settlement schedule at the rate mutually agreed upon,

except in the cases covered by the "Running Account Authorization" given by the client to ICSPL. Please note that ICSPL shall not be liable for delays caused in making payment to the client under instruction from the client and/or its authorized representatives.

**5. The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues limited to the extent of settlement / margin obligations**

ICSPL shall be entitled to liquidate /close out all or any of the client's positions for non-payment of Margin or other lawful amounts, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any against client's trade 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.

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

In case of shortage in meeting the settlement obligation, either party shall endeavor to make good such shortage through securities / value of shortage as per the Rules, Regulations and Bye-laws of the respective stock exchange.

**I. Close out in case of default in settlement of funds by the client:**

If a client fails to make payment of consideration to ICSPL in respect of any one or more securities purchased by him before the pay- in date notified by the exchange from time to time, ICSPL shall be, without any prior notice, at liberty to sell the securities received in pay-out, in proportion to the amount not received, after taking into account any amount lying to the credit of the client, by selling equivalent securities at any time on the exchange. The loss, if any, on account of the close out shall be to the account of the defaulting client.

**II. Close out in case of default in settlement of Securities by the client:**

If a Client fails to deliver any one or more securities to the pool account of ICSPL in respect of the securities sold by him before the pay- in date notified by the Exchange from time to time, such undischarged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close-out price, as may be debited to ICSPL in respect of the security for the respective settlement, to the client who has failed to deliver.

In case of internal shortages, ICSPL shall attempt to purchase the undischarged obligation from the market and transfer shares to the buying client on receipt of pay-out of such shares from the exchange. Fines / penalties / charges on account of internal shortage shall be levied to the account of the defaulting client. In case ICSPL is unable to obtain the required shares due to adverse market conditions, then such undischarged obligation shall be closed out at the close-out price. The loss, if any, on account of the close out shall be to the account of the defaulting client.

Subject to what is stated above, no further claims shall lie between the Client and ICSPL

Above procedure is subject to change from time to time according to change in settlement procedure of the stock exchanges

**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**

ICSPL reserves the right not to permit the client from taking further positions or may close the existing position in certain conditions which inter-alia includes:

- a. Shortfall in the client account to make good the settlement / margin obligations.
- b. Any legal / disciplinary action initiated by the Government, Government agencies or such other regulators like SEBI, Exchanges, RBI, Income Tax Dept., etc
- c. Based on the internal Risk management framework.
- d. Violation of terms mentioned in the Client Registration Document.
- e. Based on happening of an event where ICSPL has the risk perception that further trading in the securities (incl. penny/ illiquid stocks) may not be in the interest of its clients and/or the market.

### **8. Temporarily suspending or closing a client's account at the client's request**

On the request of a client in writing, the client account can be suspended temporarily and same can be activated only on the written request of the client. During the period when a client's account is suspended, no transactions will be permitted to be carried out.

On the request of a client in writing, the client account can be closed provided the client's account is settled and there is no dues receivable from the client. If the client wants to reopen the account, the client will have to complete the Account opening / KYC requirements, once again.

### **9. Deregistering a client**

Notwithstanding anything to the contrary stated in the Client Registration Document, ICSPL reserves the right to de-register a client with immediate effect in any of the following circumstances:

- a) Initiation of winding up of Companies / dissolution of Firms
- b) If the client has expired (in case of Individual clients & Karta)
- c) Amalgamations & Mergers of Corporate
- d) Any legal / disciplinary action initiated by the Government, Government agencies or such other Regulators. For eg.; SEBI, Exchanges, RBI, Income Tax Dept., etc.
- e) Furnishing of false / incorrect / misleading information(s) or detail(s) by the client. Failure of client to furnish updated details / information to us subsequent to the opening of the account
- f) If the action of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- g) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker.
- h) If there is reasonable apprehension that the Client is unable to pay its lawful debts or the Client has admitted its inability to pay its lawful debts.
- i) 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;
- j) Violation of terms mentioned in Client Registration Document.

When a client is de-registered in any of the circumstanced mentioned above, pay-out of funds and/or



securities will be transferred to the client subject to its having no obligation with ICSPL.

#### **10. Dormant account policy**

Client accounts that have not executed any trade for a period of two fiscal years will be considered as Dormant Account. A dormant account can be re-activated when client communicates telephonically or by e-mail or submits a written request and the client providing the required documents. However, such activation shall be subject to due verification of the clients identity and downloading the KYC documents from the KRA portal.

In case of Domestic Institutional clients like Mutual Funds/ Insurance schemes/funds having same Permanent Account Number (PAN), KYC is performed at the Parent/Legal Entity level. Accordingly, such schemes/ funds should not be considered inactive unless there are no trades in any of the schemes /funds managed by the same parent for a period of 2 (two) fiscal years.

For Institutional clients on receiving the request from the client the accounts shall be reactivated post confirmation of settlement details (including registration details as applicable) and obtaining a copy of the PAN card from the respective custodian and or downloading the KYC details from the KRA portal where available.

#### **11. Closure of client account / Deregistering a client :**

The client may, at any time, request ICSPL in writing to close its account. ICSPL shall then initiate the process of closure of client account. Also, client accounts lying dormant for more than 24 months shall be closed and the client shall be deregistered. Funds and securities, if any, held by ICSPL on behalf of such clients shall be settled after adjusting outstanding obligations, if any. Reactivation of such accounts shall not be undertaken without undergoing the client on-boarding process.

#### **12 Investor Grievance:**

The designated email id for grievance redressal (per SEBI circular MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006) is [regulator-correspondence@investec.co.in](mailto:regulator-correspondence@investec.co.in)

## Investec Capital Services (India) Private Limited Tariff Sheet

Brokerage / Commission type	Rate	
Cash Equities		Not more than 2.5% of contract value
Equity Derivatives		
Both		

## **SEBI Investor Charter - Stock Brokers**

### **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.

### **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.

### **Services provided to Investors**

- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.
- Facilitate execution of early pay-in obligation instructions.
- Settlement of client's funds.
- Intimation of securities held in Client Unpaid Securities Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor's grievances.

### **Rights of Investors**

- **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.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- **Understand** the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access
- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.

- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

#### Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	10 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	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10.	'Statement of Accounts' for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
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	15 days from the receipt of the complaint

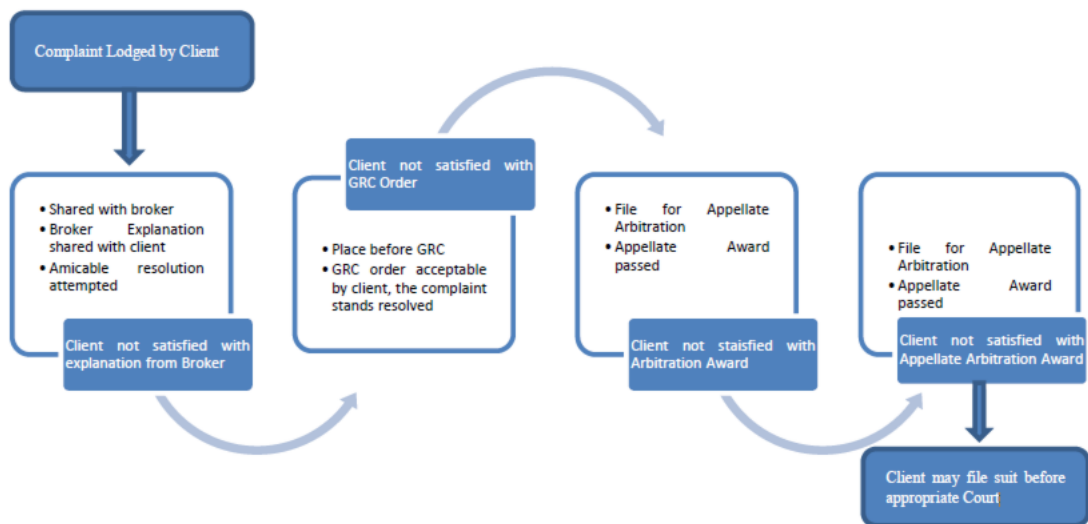
### DOs and DON'Ts for Investors

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 Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, 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 etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities / commodities on time within 24 hours from pay-out.</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 (30 or 90 days).</li> <li>11. In case of any grievances, approach stockbroker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</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 stockbroker.</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 fraud stress ending emails and SMS sluring 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>

## Grievance Redressal Mechanism

**Level 1** – 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 30 days of the receipt of the grievance.

**Level 2** – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange. Complaints Resolution Process at Stock Exchange explained graphically



## Timelines for complaint resolution process at Stock Exchanges against stock brokers

S.No.	Type of Activity	Timelines for activity
1.	Receipt of Complaint	Day of complaint (C Day).
2.	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3.	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4.	Amicable Resolution.	T+15 Working Days.
5.	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6.	Complete resolution process post GRC.	T + 30 Working Days.
7.	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8.	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is

		issued immediately or as per the directions given in GRC order.
9.	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF). The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

### **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.

**Level 3** – The complaint not redressed at Stock Broker / Stock Exchange level, may be lodged with SEBI on SCORES (a web based centralized grievance redressal system of SEBI) @ <https://scores.gov.in/scores/Welcome.html>