**Annexure A - Standard Documents**

**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS as prescribed by SEBI and Stock exchanges.**

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

2. The stock broker, 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.

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 contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

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.

    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

20. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.

21. 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.

22. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to conciliation/arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

23. The stock broker shall ensure faster settlement of any dispute through conciliation/arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the conciliation report/settlement agreement /arbitration awards made in such proceedings.

24. 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

25. 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.

26. 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

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

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 either a physical contract note to the client or an ECN through electronic instant messaging services 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 conciliation report/settlement agreement/arbitration award passed by the conciliator/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.

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## Internet & wireless technology-based trading facility provided by stockbroker to the client

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

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.

2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.

3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.

5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker

6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

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

8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.

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

10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or 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.

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## Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories.

**General Clause**

1. The Beneficial Owner(BO) and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars / Notifications / Guidelines issued there under, Bye-laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time..

2. The DP shall open/activate demat account of a (BO) 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 (BO)(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the (BO) 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 (BO) 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 (BO) 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 (BO) as set out in the Tariff Sheet provided by the DP. It may be informed to the (BO) 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 (BO) regarding the same.

**Dematerialization**

8. The (BO) 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 BOs and securities of each BO shall be segregated and shall not be mixed up with the securities of other Bos and/or DP's own securities held in dematerialized form.

10. The DP shall not facilitate the BO 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, 2018, DP Regulations and byelaws/ operating instructions/business rules of the depositories.

**Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the BO only on the basis of an order, instruction, direction or mandate duly authorized by the BO and the DP shall maintain the original documents and the audit trail of such authorizations.

12. The BO 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 (BO) in such form and manner and at such time as agreed with the (BO) and as specified by SEBI/depository in this regard.

15. However, if balance has become Nil during the year, the DP shall send one holding statement annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account. In case of accounts with credit balance but no transactions during the year, half yearly statement of holding for the year shall be sent to the BO through email.

16. The DP may provide the services of issuing the statement of demat accounts in an electronic mode.. The DP will

furnish to the (BO) 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 (BO), for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the (BO) as well as to the Depository. Similarly, the (BO) 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 (BO) shall specify whether the balances in their demat account should be transferred to another demat account of the (BO) held with another DP or to rematerialize the security balances held.
19. Based on the instructions of the (BO), the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of 2 working days as per procedure specified from time to time by the depository in case of no outstanding dues and in case of outstanding dues, shall provide 30 days notice. In case of non-payment of dues, DP shall reject the account closure request and in case the dues are cleared by BO, respective account shall be closed by DP within 2 working days of clearing the dues. Provided further, closure of demat CDSL - DP Operating Instructions Page 3 of 4 account shall not affect the rights, liabilities and obligations of either the BO or the DP and shall continue to bind the parties to their satisfactory completion.

**Default in payment of charges**

20. In event of (BO) 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 (BO), 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 (BO) 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 (BO) shall have the right to stop processing of instructions of the (BO) till such time he makes the payment along with interest, if any.

**Liability of the Depository**

22. As per Section 16 of the Depositories Act, 1996,
    a. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the (BO) due to the negligence of the depository or the participant, the depository shall indemnify such (BO).
    b. 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 (BO) 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 (BO)s on receipt of instructions received from any regulator or court or any statutory authority.

R**edressal of Investor grievance**

25. The DP shall redress all grievances of the (BO) against the DP within a period of thirty days from the date of receipt of the complaint.

**Authorized representative**

26. If the (BO) 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 (BO) shall be entitled to exercise any other rights which the DP or the (BO) 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 (BO) maintains his/her account, that may be in force from time to time.
29. The (BO) 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 (BO).
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 (BO) 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.

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

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

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

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

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

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

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

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

**1. BASIC RISKS:**

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

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

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

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

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

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

**1.4.2** A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while

the customer receives price protection, there is a possibility that the order may not be executed at all.

**1.4.3** A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre - determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the order limit 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 order limit.

**1.5 Risk of News Announcements:**

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

**1.6 Risk of Rumors:**

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

**1.7 System Risk:**

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

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

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

**1.8 System/Network Congestion:**

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

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

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

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

You should therefore completely understand the following statements before actually trading in derivatives and also trade

with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

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

**2.2 Currency specific risks:**

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

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

**2.3 Risk of Option holders:**

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

2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

**2.4 Risks of Option Writers:**

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

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

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

**4. GENERAL**

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

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

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

**BEFORE YOU BEGIN TO TRADE**

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

**TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.

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

**IN CASE OF TERMINATION OF TRADING MEMBERSHIP**

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

**DISPUTES/ COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

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**POLICIES AND PROCEDURES**

**1. Refusal of orders for penny / illiquid stock**

The stockbroker may from time to time limit (quantity/ value)/reject/refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies), the order being for securities which are not in the permitted list of the stock broker / exchange(s) / SEBI. Clients may note that PPWB shall have right to reject the orders placed by the Client and/or put circuit breakers to discourage trades getting executed at unrealistic prices from the current market price of the security or prohibit the Client from trading in penny / illiquid securities which creates artificial liquidity or manipulates prices or to discourage Client from cross/ synchronized trading and PPWB shall not be liable for any loss arising out of non-acceptance or rejection of the Client orders for any such reason if the Client fails to give sufficient reason for placing such orders. The client agrees that the trade related losses, if any on account of such refusal or due to delay caused by such limits, shall be borne exclusively by the client alone. The stockbroker may require reconfirmation of orders, which are larger than that specified by the stock broker's risk management, and is also aware that the stock broker has the discretion to reject /refuse the execution of such orders based on its risk perception.

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

PPWB may, from time to time at its sole discretion, impose and vary the limits on the orders that client can place through it (including but not limited to exposure limits, turnover limits, limits as to number, value and/kind of securities/ contracts in respect of which buy or sell orders can be placed). PPWB may need to vary or reduce the limits or impose new limits urgently on the basis of its risk perception and other factors considered relevant and PPWB will make all necessary attempts to inform clients of such changes. Further PPWB may, as risk containment measure, at any time at its sole discretion and without prior notice, prohibit or restrict the client's ability to place the orders or trade in all of some securities/ contracts through PPWB. The exposure limits are generally based on the availability of the margin in the client's account. Margin may be in the form of funds and /or in the form of securities with PPWB. The client shall be permitted to trade up to a predetermined number of times of the margin (the "Multiple") and the quantum of the Multiple on the margin shall be decided at sole discretion of PPWB.
The client agrees that trade related losses, if any, on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone. The stock broker is required only to communicate / advise the parameters for the calculation of the margin / security requirements as rate(s) /percentage(s) of the dealings, through anyone or more approved means or methods such as email / voice mails /telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of the stock broker; by publishing /displaying it on the website of the stock broker / making it available as a download from the website of the stock broker or if the circumstances, so require, by radio broadcast / television broadcast /newspapers advertisements etc; or any other suitable or applicable mode or manner. Once parameters for margin / security requirements are so communicated, the client shall monitor his / her / its position (dealings / trades and valuation of security) on his / her / its own and provide the required / deficit margin / security forthwith as required from time to time. The client is not entitled to trade without adequate margin/security and that it shall be his/her/its responsibility to ascertain beforehand the margin/ security requirements for his/her/its orders/trades/deals and to ensure that the required margin/security is made available to the stock broker in such form and manner as may be required by the stock broker. If the client's order is executed despite a shortfall in the available margin, the client shall make up the shortfall immediately. The client further agrees that he/she/it shall be responsible for all orders (including orders that may be executed without the required margin in the client's account) &/or any trade related claim/loss/damage arising out of the nonavailability/shortage of margin /security required by the stock broker & / or exchange & / or SEBI.

The stock broker is entitled to vary the form (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of funds instead of shares) & / or quantum & / or percentage of the margin & / or security required to be deposited / made available, from time to time. The margin / security deposited by the client with the stock broker are not eligible for any interest. The stock broker is entitled to include / appropriate any / all payout of funds & / or securities towards margin / security without requiring specific authorizations for each payout.
The stock broker is entitled to transfer funds and/ or securities from his account for one exchange and / or one segment of the exchange to his / her / its account for another exchange and/ or another segment of the same exchange whenever applicable and found necessary by the stock broker. The client also agrees and authorises the stock broker to treat / adjust his/ her / its margin / security lying in one exchange and / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange and / or another segment of the exchange. The stock broker is entitled to disable/freeze the account and/or trading facility/any other service. facility, if, in the opinion of the stock broker, the client has committed a crime/fraud or has acted in contradiction of the Mandatory and Voluntary Client Registration Documents or / is likely to evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock broker so apprehends.

**3. Applicable brokerage rate:**

The stock broker is entitled to charge brokerage within the limits imposed by exchange which at present is as under:

- **For Cash Market Segment:** The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is hereby further clarified that where the sale / purchase value of a share is Rs.10/ - or less, a maximum brokerage of 25 paise per share may be collected.

- **For Equity Futures / Option contracts:** Brokerage for option contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. It is hereby clarified that brokerage charged on options contracts shall not exceed 2.5% of the premium amount or Rs 100/- (per lot) whichever is higher. For Futures contract shall not exceed maximum 2.5% of the contract value. Brokerage will be charged to the client based on the brokerage rates specified in the account opening form or as per the product/ scheme opted by the client from time to time or any change communicated by PPWB from time to time. Brokerage chargeable to the client will also be communicated to the client through the welcome letter sent at time of account opening. Any increase in brokerage rate may be done with the consent of the client in writing or at the discretion of PPWB by giving 15 days advance notice to the client.

**4. Imposition of penalty / delayed payment charges**

PPWB requires all its clients to make the payment towards outstanding arising out of trades and/ or ancillary services availed by the client on or before the due date. In case of outstanding in account, penal interest will be levied on the client to deter them from delaying the payment in future. PPWB may charge delayed payment charges at 0.05% per day.

Margins provided by the client in the form of funds and or securities shall be interest free and PPWB shall not be liable to pay any interest on the same. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, and interest or delayed payment charges if any on the above mentioned points, 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.

**5. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues. (Limited to Margin/ Settlement Obligations)**

The stock broker maintains centralized banking and securities handling processes and related banking and depository

accounts at designated places. The client shall ensure timely availability of funds / securities in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting his/her/its pay in obligation of funds and securities. The stock broker shall not be responsible for any claim/loss/damage arising out of non availability/short availability of funds/securities by the client in the designated account(s) of the stock broker for meeting the pay in obligation of either funds or securities. If the client gives orders / trades in the anticipation of the required securities being available subsequently for pay in through anticipated payout from the exchange or through borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any reason whatsoever including but not limited to any delays / shortages at the exchange or stock broker level / non release of margin by the stock broker etc., the losses which may occur to the client as a consequence of such shortages in any manner such as on account of auctions / square off / closing outs etc., shall be solely to the account of the client and the client agrees not to hold the stock broker responsible for the same in any form or manner whatsoever. In case the payment of the margin / security is made by the client, the stock broker shall be at liberty to give the benefit / credit of the same. In case open position (Le. short/long) gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfil the pay in obligation failing which the client will have to face auctions or internal close outs; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any. Without prejudice to the foregoing, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s) as applicable and prescribed in the regulations. The stock broker is entitled to prescribe the date and time by which the margin / security is to be made available and the stock broker may refuse to accept any payments in any form after such a deadline for margin / security expires. Notwithstanding anything to the contrary in the Mandatory and Voluntary Client Registration Documents or elsewhere, if the client fails to maintain or provide the required margin/ fund / security or to meet the funds/margins/ securities pay in obligations for the orders / trades / deals of the client within the prescribed time and form, the stock broker shall have the right without any further notice or communication to the client to take any one or more of the following steps:

- To withhold any payout of funds / securities.
- To withhold / disable the trading / dealing facility to the client.
- To liquidate one or more security(s) or position(s) of the client by selling the same in such manner and at such rate which the stock broker may deem fit in its absolute discretion. It is agreed and understood by the client that securities here include securities which are pending delivery / receipt.
- To liquidate / square off partially or fully the position of sale & / or purchase in anyone or more securities / contracts in such manner and at such rate which the stock broker may decide in its absolute discretion.
- To take any other steps which in the given circumstances, the stock broker may deem fit. The client agrees that the trade related loss(s) if any, on account of anyone or more steps as enumerated herein above being taken by the stock broker, shall be borne exclusively by the client alone and agrees not to question the reasonableness, requirements, timing, manner, form, pricing etc., which are chosen by the stock broker.

**6. Shortages in obligations**

- Shortage in securities settlement happens when a customer short sells a security and fails to deliver it from their Demat account. The process for handling internal shortages will follow the procedures specified by clearing corporations. If an auction is unsuccessful, any shortages will be closed out as per the close-out procedure of the Exchanges/clearing corporations.
- The client may not receive shares on T+1 in case there is a shortage situation with PPWB i.e. the buyer and seller are both PPWB clients and the seller defaults on delivery due to which the buyer may not receive the shares.
- In case of shortage, funds of the defaulting seller would be blocked with a price that is T Day closing price plus up to 50% for the default on T Day. In case of volatile market situation on T+1 day, then closing price of the T Day or T+1 day whichever is higher plus up to 50% for the default will be blocked till such time the auction process or close out process

is completed. At the end, the differential amount will be debited as per auction bill with penalty (if any).

- Additionally brokerage, statutory costs and other incidental charges including penalty for non-delivery may be debited to the client.
- In case of Shortage of physically settled Derivatives contracts, there will be compulsory close out price/Auction Price and Auction penalty (if any). PPWB may also levy charges on the defaulting seller for non-delivery of stocks within the stipulated time.
- This process is subject to change based on regulatory requirements amended from time to time.

**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.**

Under following circumstances, a client may not be allowed to take further position and if required the existing position in his account may be also be closed:

i. If there is a continuous debit Balance in the client's account.
ii. If there is insufficient margin in the client's account required to maintain his open position.
iii. PPWB retains the right to block the client from taking any new position in certain specified scrips basis the risk management systems of PPWB.
iv. If a client is not responding satisfactorily to the Company / regulatory enquiry on trades undertaken by him explaining the rationale for transactions or fails to provide documents to prove beneficial ownership of shares, submit proof of income/ Net worth etc.
v. If there is an order by SEBI or any other appropriate authority debarring the client from dealing in the securities market or an order to suspend/seize the client's account.
vi. In case the scrip or member limits are breached or likely to be breached in the Derivatives Market Segment.
vii. In case where suspicious transactions are observed, including but not limited to off market transactions.
viii. In case of dormant/inactive account
ix. At the discretion of the company by giving written/email intimation/notice to the client.
x. In the event of death or insolvency of the client, winding up or liquidation or the client otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, the Stock Broker may close out the transaction of the client and the client or his legal representative as the case shall be liable for any losses, costs and be entitled to any surplus which may result there from.

xi. If any discrepancies or inconsistencies are identified in the KYC documents provided by the client, the client may be restricted from trading activities.

**8. Deregistering a client :**

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

i. If the action of the client are prima facie illegal improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities either alone or in conjunction with others;
ii. If there is commencement of any legal proceedings against the client under any law in force;
iii. On the death/lunacy or other disability of the client;
iv. If the client being a partnership firm, steps taken by the client and/or its partners for dissolution of the partnership;
v. If the client suffers any adverse material change in his/her/ its financial position or defaults in any other/arrangement with PPWB;

vi. If there is reasonable apprehension that the client is unable to pay its debts or the client has admitted its inability to pay its debts, as they become payable;
vii. If the client is in breach of any terms, condition or covenant of this arrangement;
viii. If the client has made any material misrepresentation of facts, including (without limitation) in relation to the security;
ix. If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the client;
x. If the client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
xi. If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board of Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
xii. If the covenant or warranty of the client is incorrect or untrue in any material respect;
xiii. On the order from the appropriate authority;
xiv. In accordance with the provisions of arrangement entered into with the client

**9. Temporarily suspending or closing a client's account at the client's request :**

A client can request for temporary suspending or for permanently closing his account. For permanent closure, the client has to give a notice of one month and clear the dues, if any, in his account. Client account may be suspended by the company at any time:

i. On directions received from any regulatory authorities.
ii. If the client is not responding to the queries raised by the company related to his trade activities.
iii. If there is not a single active demat account linked to a trading account.
iv. Due to any other non-compliance and If any discrepancies are identified in the KYC documents provided by the client observed in the account.

**10. Policy on inactive (dormant) Account:**

a) **For Trading Accounts:** The term In-active/dormant trading account refers to such trading account where no transaction has been carried out in the client's trading account for a period of last 24 months from the date of last transaction across all exchanges or from account opening date. The following process shall be followed for inactive accounts.

| Sr no. | Situation | Action to be taken |
|---|---|---|
| 1 | No trades carried out by the client in the last 24 (Twenty-four) months across all Exchanges including applying/subscribing to IPOs/OFS/buy-back | Mark/Flag the client as 'Inactive' in back office and UCC records of Exchange. However, if Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client and the same has been uploaded to KRA to ensure Validated/Registered status within 24 months then client would not be marked as inactive. |

| | | |
|---|---|---|
| 2 | In case the client who is flagged as inactive seeks re-activation of the trading account | PPWB shall ensure mandatorily comply with In-Person Verification/Video In-Person Verification (IPV/VIPV) requirement specified in the SEBI Master Circular on KYC dated October 12, 2023. PPWB shall seek confirmation from the client to ensure that the basic details of such a client like Address, Mobile number, Email ID, Bank/DP account, income are updated in the records as well in the UCC records of the Exchange.<br><br>The account will be activated after receiving confirmation from the client to activate the account. In case there is a change in details, fresh documents to be submitted by the client. PPWB may fetch the details along with the necessary documents from the KRA record and display the said details for confirmation of the client and updation in its record. The account will be activated after receiving confirmation from the client to activate the account. In case there is a change in details, fresh documents to be submitted by the client. |

**b) For Demat Accounts:** Demat account wherein no transaction (financial or non-financial) has taken for continuous 12 months. The demat accounts are marked as Dormant by DP Secure system/ CDAS System. Additional due diligence would be observed over and above the normal verification procedure while processing any debit transactions in such accounts. Further, in case the request for issuance of the DIS booklet is received in an inactive / dormant account, the DIS booklet shall be delivered at the registered address of the BO as per the DP records after doing the necessary due diligence.

**11. Market Order With Protection (MOP) Policy:**

PhonePe Wealth Broking Private Limited (PPWB) has introduced the Market Order with Protection (MOP) feature to safeguard its clients from significant price volatility during the execution of market orders which includes Equity, Options and Future Segment. This mechanism ensures trades occur within a predefined price range, protecting users from undesirable price fluctuations caused by sudden market volatility. Market orders will be converted into limit orders with a predefinedprice range to prevent execution at prices significantly deviating from the Last Traded Price (LTP). MOP will be available for market orders in both the Derivatives and Equity segments. For all market orders, MOP will be enabled by default across Equity, Options, and Futures segments. Client will have the flexibility to unselect MOP feature, except for Options buy orders, where MOP will now be mandatory. Orders under MOP will only be executed up to a defined markup/down price relative to the LTP, in compliance with extant regulatory guidelines. Residual or unexecuted quantities will be handled as per the platform's order management policies. Clients should place market orders with an understanding of MOP and its impact on execution. It is the clients responsibility to monitor trade confirmations and ensure alignment with their expectations. PPWB reserves the right to review and amend the MOP policy in alignment with regulatory requirements or operational needs.

**12. Policy on Handling of Good Till Triggered Orders of Client:**

**Background:** Exchange circulars NSE/INSP/62528, NSE/INSP/63789 and BSE/20240622-2 issued thereon have instructed

members to frame a Policy on Handling of Good Till triggered orders covering aspects of details of Good Till Triggered (GTT) / Similar Orders, Handling of Unexecuted Orders during Corporate Actions, Client Intimation Timeline with regard to corporate actions.

**Objective & Scope:** To establish a clear and regulatory-compliant framework for the creation, monitoring, triggering, and execution of Good Till Triggered (GTT) orders. The policy intends to safeguard investors, prevent erroneous/absurd trades (especially during corporate actions), and ensure consistent operational handling across systems and teams.

**Applicability (Target Audience)** This policy applies to all clients of PhonePe Wealth Broking Private Limited (PPWB) who place or intend to place orders using the Good Till Triggered (GTT) order facility in the equity cash and/or derivatives segments, as permitted by PPWB. This policy governs the creation, modification, cancellation, triggering, execution, and system-level treatment of GTT orders.

**Definition:** In this policy, unless the context otherwise requires,

- **Good Till Triggered:** Good Till Triggered (GTT) is a trigger-based order instruction placed by a client, which remains active until the specified trigger price is met or breached, or until the instruction is cancelled or expires. Under a GTT request, the client sets a trigger price and selects the order type (Market or Limit) along with the price (where applicable) and quantity. The GTT instruction remains with PPWB and is not sent to the exchange until the trigger condition is met. Upon trigger , the system places an order on the Exchange based on the order type selected by the client.

- **Corporate actions:** Corporate Actions are events initiated by a listed entity that result in a change to the securities issued by the company and may impact the stock price, quantity, or entitlement of shareholders. Examples include bonus issues, stock splits, dividends, rights issues, mergers, demergers, and buybacks. Corporate actions typically require adjustments to outstanding securities and may necessitate modification or cancellation of existing GTT requests.

**Types of GTT Orders:** There are two types of GTT orders available in PhonePe Wealth Broking Pvt Ltd.

- **Single Trigger GTT:** In this type, a single trigger price is set by the client for either a buy or sell order. When the market price reaches the specified trigger level, an order (Market or Limit, as selected by the client) is placed at the client's chosen price and quantity. The order shall remain active until it is triggered, cancelled, or expires.

- **OCO (One Cancels the Other) GTT:** In this type, two trigger instructions are created for the same stock, typically one for profit-booking and another for stop-loss. When either trigger condition is met and the corresponding order (Market or Limit, as selected by the client) gets placed on the exchange, the other trigger is automatically cancelled. This allows clients to manage both profit-taking and risk-management within a single setup.

**Validity and Terms of use of GTT order facility:**

- The validity of a GTT instruction shall be 365 days. Any unexecuted GTT order will stand canceled post expiry of its validity period. For Intraday orders the validity will be till the market close or trigger execution whichever is earlier.
- The validity of a GTT instruction for Overnight F&O orders shall be 365 days/ till the expiry of the respective contract or trigger execution whichever is earlier.
- PPWB reserves the right to determine the maximum number of Good-Till-Triggered (GTT) orders that can remain

open at any given time.

- If the trigger price is met or breached, but the order sent to the Exchange does not reach the specified limit price during the trading session, the GTT order will be automatically canceled and removed from the GTT order queue.
- If the trigger price is met but the limit price exceeds the circuit limits of the scrip, the GTT order will be canceled.
- GTT orders will not be sent to the Exchange if the required margin or funds are not available in the client's account, even if the trigger price is met.
- A valid DDPI is mandatory to place GTT orders for the sale of securities held in the client's demat account.
- If, on a trading day, the price of a scrip opens with a gap up or gap down breaching the trigger price, the GTT shall be considered as triggered, and the order shall be placed on the Exchange based on the order type (Market or Limit) selected by the client at the time of GTT creation.
- GTT orders can only be placed through online modes i.e., IBT & STWT. Placement of GTT orders through non-IBT dealing desks is not permitted.
- There are no additional charges for using the GTT facility. Standard brokerage fees will apply once the GTT is triggered.
- PPWB shall not be liable for non-execution or delayed execution of GTT orders due to Exchange-related rejections, market volatility, or technical/system issues beyond its control.
- All GTT orders are subject to the Bye-laws, Rules, and Regulations of the Exchange, SEBI guidelines, and PPWB's internal risk and margin policies, as applicable from time to time.
- GTT orders placed for any scrip or contract not permitted for trading by PPWB will be rejected. PPWB shall decide upon securities in which the Clients would be permitted to place GTT orders and the same would be subject to change from time to time. PPWB may also at its sole discretion decide to withdraw any particular security for GTT facility without assigning any reasons whatsoever leading to cancellation of pending GTT orders.
- Whenever a GTT order is cancelled due to any of the scenarios, a corresponding mail will be sent to the customers informing them about the same. The mail will include the details of the order being cancelled and the reason for the cancellation.
- In case an executed GTT order is placed as a Market order, the execution price may differ significantly from the trigger price due to market conditions, liquidity, volatility, or gap-up/gap-down scenarios. PPWB shall not be responsible for any price variation arising from Market order execution.

**Handling of GTT orders in case of corporate actions:** PPWB reserves the right to cancel GTT orders on one day prior to the ex-date of corporate actions such as bonus issues, stock splits, reverse splits, dividends, mergers, amalgamations, delisting's, or any other event that may significantly impact the price of the scrip. All unexecuted GTT instructions for such scrips shall stand canceled in the event of any corporate action affecting the underlying security. Clients will be duly informed of such cancellations at least one day prior to the ex-date of the respective corporate action.

**Please refer to our website for more information regarding RMS policies*.

## Annexure-A

### Investor Charter Stock Brokers

**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**

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.Risk management systems to mitigate operational and market risk.
vii. Facilitate client profile changes in the system as instructed by the client.
viii. Information sharing with the client w.r.t. relevant Market Infrastructure Institutions (MII) circulars.
ix. Provide a copy of Rights & Obligations document to the client.
x. Communicating Most Important terms and Conditions (MITC) to the client.
xi. 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**

| **Sl 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 margins 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 |
|---|---|
| 1. Read all documents and conditions being agreed before signing the account opening form.<br>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.<br>3. Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.<br>4. Receive all information about brokerage, fees and other charges levied.<br>5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.<br>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.<br>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.<br>8. Receive funds and securities/ commodities on time, as prescribed by SEBI or exchange from time to time.<br>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.<br>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).<br>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.<br>12. Retain documents for trading activity as it helps | 1. Do not deal with unregistered stock broker.<br>2. Do not forget to strike off blanks in your account opening and KYC.<br>3. Do not submit an incomplete account opening and KYC form.<br>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.<br>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<br>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raisea concern, if discrepancy is observed.<br>7. Do not opt for digital contracts, if not familiar with computers.<br>8. Do not share trading password.<br>9. Do not fall prey to fixed / guaranteed returns schemes.<br>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.<br>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investment |

| | |
|---|---|
| in resolving disputes, if they arise | |

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 | Investor can lodge complaint/grievance against stock broker in the following ways:<br><br>Mode of filing the complaint with stock broker<br><br>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<br><br>Mode of filing the complaint with stock exchanges<br><br>i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI) (https://scores.sebi.gov.in)<br><br>Two level review for complaint/grievance against stock broker:<br><br>● First review done by Designated body/Exchange<br>● Second review done by SEBI<br><br>ii. Emails to designated email IDs of Exchange |
| 2 | Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration | 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. |
| 3 | Steps to be followed in ODR for Review, Conciliation and Arbitration | 1. Investor to approach Market Participant for redressal of complaint<br>2. If investor is not satisfied with response of Market Participant, he/she has either of the following 2 options:<br><br>a. May escalate the complaint on SEBI SCORES portal.<br>b. May also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration. |

| | | |
|---|---|---|
| | | 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.<br><br>4. If the matter could not be amicably resolved, then the matter shall be referred for conciliation.<br><br>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.<br><br>6. If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.<br><br>7. The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days with consent<br>of the parties to dispute. |

**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

# Investor Charter for Depository Participant-

**Annexure-A**

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). Details available on the link [https://www.cdslindia.com/DP/dplist.aspx].

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

| 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 / Destatementization | 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 | For T+1 day settlements, Participants shall accept instructions from the Clients, in physical form up to 4 p.m. (in case of electronic instructions up to 6.00 p.m.) on T day for pay-in of securities. |

| | | |
|---|---|---|
| | | For T+0 day settlements, Participants shall accept EPI instructions from the clients, till 11:00 AM on T day.<br>Note: 'T' refers 'Trade Day' |

(1) **Basic Services**

(2) **Depositories provide special services like pledge, hypothecation, internet based 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<br>a. Basic Services Demat Account (BSDA)1 (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>b. Transposition cum dematerialization2 (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>c. Linkages with Clearing System3 (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc. |
| 2 | Consolidated Account statement (CAS) | CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions). |
| 3 | Digitalization of services provided by the depositories | Depositories offer below technology solutions and e-facilities to their demat account holders through Dps:<br>a. E-account opening[4] (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>b. Online instructions for execution[5] (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>c. e-DIS / Demat Gateway[6] (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>d. e-CAS facility[7] (Refer to Annexure B of Investor charter of Depository Participant- CDSL)<br>e. Miscellaneous services[8] (Refer to Annexure B of Investor charter of Depository Participant- CDSL) |

5. **<u>Details of Grievance Redressal Mechanism</u>**

(1) The Process of investor grievance redressal

| | | |
|---|---|---|
| 1. | Investor Complaint / Grievances | Investor can lodge complaint/ grievance against the Depository/DP in the following ways:<br>a. Electronic mode -<br>(i) SCORES 2.0 (a web based centralized grievance redressal system of SEBI) [https://scores.sebi.gov.in/]<br>Two Level Review for complaint/grievance against DP:<br>• First review done by Designated Body<br>• Second review done by SEBI<br>(ii) Respective Depository's web portal dedicated for the filing of compliant [https://www.cdslindia.com/Footer/grievances.aspx]<br>(iii) Emails to designated email IDs of Depository [complaints@cdslindia.com]<br>b. Offline mode :<br>For tracking of your grievance, we request you to submit the same online through the portal.<br>The complaints/grievances lodged directly with the Depository shall be resolved within 30 days. |
| 2. | Online Dispute Resolution (ODR) platform for online Conciliation and Arbitration | If the Investor is not satisfied with the resolution provided by DP or other Market Participants, then the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through by online conciliation or arbitration. (https://smartodr.in/login) |
| 3. | Steps to be followed in ODR for Review, Conciliation and Arbitration | • Investor to approach Market Participant for redressal of complaint<br>• If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal.<br>• Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration.<br>• 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.<br>• If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter case for conciliation.<br>• 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.<br>• If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration.<br>• The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days. |

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.<br>• 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. |

7. **Do's and Don'ts for Investors** (https://www.cdslindia.com/Investors/InvestorCharter.html#)

| Sr. No. | Guidance |
|---|---|
| i. | Always deal with a SEBI registered Depository Participant for opening a demat account. |
| ii. | Read all the documents carefully before signing them. |
| iii. | Before granting Power of attorney to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted. |
| iv. | Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary. |
| v. | Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips.<br><br>Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders.<br><br>Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s).<br>Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque. |
| vi. | Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system |
| vii. | Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository. |
| viii. | Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation. |
| ix. | Do not share password of your online trading and demat account with anyone. |
| x. | Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only. |
| xi. | Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest |

| | |
|---|---|
| | etc. with anyone else. |
| xii. | Demat is mandatory for any transfer of securities of Listed public limited companies. |
| xiii. | If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you<br>may lodge the same with SEBI online at https://scores.sebi.gov.in |
| xiv. | Keep a record of documents signed, DIS issued and account statements received. |
| xv. | As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In<br>case of any unauthorized debit or credit, inform the DP or your respective Depository. |
| xvi. | Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the<br>necessary procedures. |
| xvii. | Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings. |
| xviii. | Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are<br>entitled to receive a transaction statement every month if you have any transactions. |
| xix. | Do not follow herd mentality for investments. Seek expert and professional advice for your investments. |
| xx. | Beware of assured/fixed returns. |

8. **Rights of investors(https://www.cdslindia.com/Investors/InvestorCharter.html#)**

i. Receive a copy of KYC, copy of account opening documents.

ii. No minimum balance is required to be maintained in a demat account.

iii. No charges are payable for opening of demat accounts.

iv. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.

v. You can open more than one demat account in the same name with single DP/ multiple DPs.

vi. Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the matter with the Depositories.

vii. Pledge and /or any other interest or encumbrance can be created on demat holdings.

viii. Right to give standing instructions with regard to the crediting of securities in demat account.

ix. Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.

x. In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.

xi. Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which
Depositories have developed an internet based 'e-Voting' platform.

xii. Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.

xiii. Right to indemnification for any loss caused due to the negligence of the Depository or the participant.

xiv. Right to opt out of the Depository system in respect of any security.

9. **Responsibilities of Investors** (https://www.cdslindia.com/Investors/InvestorCharter.html#)

i. Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.

ii. Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.

iii. Read all documents and conditions being agreed before signing the account opening form.

iv. Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.

v. Always mention the details like ISIN, number of securities accurately.

vi. Inform any change in information linked to demat account and obtain confirmation of updation in the system.

vii. Regularly verify balances and demat statement and reconcile with trades / transactions.

viii. Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.

ix. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

10. **Code of Conduct for Depositories (Part D of Third Schedule of SEBI (D & P) regulations, 2018)**

A Depository shall:

a) always abide by the provisions of the Act, Depositories Act, 2018, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.

b) adopt appropriate due diligence measures.

c) take effective measures to ensure implementation of proper risk management framework and good governance practices.

d) take appropriate measures towards investor protection and education of investors.

e) treat all its applicants/members in a fair and transparent manner.

f) promptly inform the Board of violations of the provisions of the Act, the Depositories Act, 1996, rules, regulations, circulars,
guidelines or any other directions by any of its issuer or issuer's agent.

g) take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of depository's systems and the securities market.

h) endeavor for introduction of best business practices amongst itself and its members.

i) act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.

j) not indulge in unfair competition, which is likely to harm the interests of any other Depository, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.

k) segregate roles and responsibilities of key management personnel within the depository including
a. Clearly mapping legal and regulatory duties to the concerned position

b. Defining delegation of powers to each position

c. Assigning regulatory, risk management and compliance aspects to business and support teams

l) be responsible for the acts or omissions of its employees in respect of the conduct of its business.

m) monitor the compliance of the rules and regulations by the participants and shall further ensure

that their conduct is in a manner that will safeguard the interest of investors and the securities market.

**11. <u>Code of Conduct for Participants (Part A of Third Schedule of SEBI (D & P) regulations, 2018)</u>**

1. A participant shall make all efforts to protect the interests of investors.
2. A participant shall always endeavour to—
    a) render the best possible advice to the clients having regard to the client's needs and the environments and his own professional skills;
    b) ensure that all professional dealings are effected in a prompt, effective and efficient manner;
    c) inquiries from investors are adequately dealt with;
    d) grievances of investors are redressed without any delay.
3. A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.
4. A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialisation request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.
5. A participant shall endeavour to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.
6. A participant shall not increase charges/fees for the services rendered without proper advance notice to the beneficial owners.
7. A participant shall not indulge in any unfair competition, which is likely to harm the interests of other participants or investors or is likely to place such other participants in a disadvantageous position while competing for or executing any assignment.
8. A participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
9. A participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
10. A participant shall co-operate with the Board as and when required.
11. A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
12. A participant shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.
13. A participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
14. A participant shall ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, Rules, regulations, directions of the Board or of any other regulatory body.
15. A participant shall maintain proper inward system for all types of mail received in all forms.

16. A participant shall follow the maker—Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.
17. A participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.
18. A participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
19. A participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.
20. A participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.
21. A participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.
22. A participant shall ensure that good corporate policies and corporate governance are in place.

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**Annexure B - INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER FOR DEPOSITORIES AND DPS**

This document contains the contents pertaining to the qualifier "[https://www.cdslindia.com/Investors/InvestorCharter.html]" in the Investor Charter main document. The same is to be made available by the Depositories on their websites and web-links to the same is to be provided for incorporation in the Investor Charter.

For reasons of convenience, the contents in main Charter and this document have been mapped with the same superscript.

**Para 4 (2) of Investor Charter**

Point 1: Value Added Services

a. Basic Services Demat Account (BSDA)[1]: The facility of BSDA with limited services for eligible individuals was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. No Annual Maintenance Charges (AMC) shall be levied, if the value of securities holding is upto Rs. 50,000. For value of holdings between Rs 50,001- 2,00,000, AMC not exceeding Rs 100 is chargeable. In case of debt securities, there are no AMC charges for holding value upto Rs 1,00,000 and a maximum of Rs 100 as AMC is chargeable for value of holdings between Rs 1,00,001 and Rs 2,00,000.

b. Transposition cum dematerialization[2]: In case of transposition-cum- dematerialisation, client can get securities dematerialised in the same account if the names appearing on the certificates match with the names in which the account has been opened but are in a different order. The same may be done by submitting the security certificates along with the Transposition Form and Demat Request Form.

c. Linkages with Clearing System[3]: for actual delivery of securities to the clearing system from the selling brokers and delivery of securities from the clearing system to the buying broker.

Point 3: Digitization of services provided by the depositories

a. Basic E-account opening: Account opening through digital mode, popularly known as "On-line Account opening", wherein investor intending to open the demat account can visit DP website, fill in the required information, submit the required documents, conduct video IPV and demat account gets opened without visiting DPs office.

b. Online instructions for execution: internet-enabled services like Speed-e (NSDL) & Easiest (CDSL) empower a demat account holder in managing his/her securities 'anytime-anywhere' in an efficient and convenient manner and submit instructions online without the need to use paper. These facilities allows Beneficial Owner (BO) to submit transfer instructions and pledge instructions including margin pledge from their demat account. The instruction facilities are also available on mobile applications through android, windows and IOS platforms.

c. e-DIS / Demat Gateway[6] : Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client shall be required to authorize each e-DIS valid for a single settlement number / settlement date, by way of OTP and PIN/password, both generated at Depositories end. Necessary risk containment measures are being adopted by Depositories in this regard.

d. e-CAS facility[7]: Consolidated Account Statements are available online and could also be accessed through mobile app to facilitate the investors to view their holdings in demat form.

e. Miscellaneous services[8]: Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

# INVESTOR CHARTER FOR RAs

**Annexure -A**

## A. Vision and Mission Statements for investors

- Vision - Invest with knowledge & safety.

- Mission - Every investor should be able to invest in right investment products based on their needs, manage and monitor them to meet their goals, access reports and enjoy financial wellness.

## B. Details of business transacted by the Research Analyst with respect to the investors

- To publish research report based on the research activities of the RA
- To provide an independent unbiased view on securities.
- To offer unbiased recommendation, disclosing the financial interests in recommended securities.
- To provide research recommendation, based on analysis of publicly available information and known observations.
- To conduct audit annually.
- To ensure that all advertisements are in adherence to the provisions of the Advertisement Code for Research Analysts.

- To maintain records of interactions, with all clients including prospective clients (prior to onboarding), where any conversation related to the research services has taken place.

## C. Details of services provided to investors (No Indicative Timelines)

- Onboarding of Clients
  - Sharing of terms and conditions of research services
  - Completing KYC of fee paying clients

- Disclosure to Clients:
  - To disclose, information that is material for the client to make an informed decision, including details of its business activity, disciplinary history, the terms and conditions of research services, details of associates, risks and conflicts of interest, if any
  - To disclose the extent of use of Artificial Intelligence tools in providing research services
  - To disclose, while distributing a third party research report, any material conflict of interest of such third party research provider or provide web address that directs a recipient to the relevant disclosures
  - To disclose any conflict of interest of the activities of providing research services with other activities of the research analyst
- To distribute research reports and recommendations to the clients without discrimination.
- To maintain confidentiality w.r.t publication of the research report until made available in the public domain.
- To respect data privacy rights of clients and take measures to protect unauthorized use of their confidential information.
- To disclose the timelines for the services provided by the research analyst to clients and ensure adherence to the said timelines.
- To provide clear guidance and adequate caution notice to clients when providing recommendations for dealing in complex and high-risk financial products/services
- To treat all clients with honesty and integrity
- To ensure confidentiality of information shared by clients unless such information is required to be provided in furtherance of discharging legal obligations or a client has provided specific consent to share such information.

## D. Details of grievance redressal mechanism and how to access it

1. Investor can lodge complaint/grievance against Research Analyst in the following ways:

Mode of filing the complaint with research analyst

In case of any grievance / complaint, an investor may approach the concerned Research Analyst who shall strive to redress the grievance immediately, but later than 21 days of the receipt of the grievance.

Mode of filing the complaint on SCORES or with Research Analyst Administration and Supervisory Body (RAASB)

i. SCORES 2.0 (a web based centralized grievance redressal system of SEBI for facilitating effective grievance redressal in time-bound manner) (https://scores.sebi.gov.in)

Two level review for complaint/grievance against Research Analyst:

- First review done by designated body (RAASB)
- Second review done by SEBI

ii. Email to designated email ID of RAASB

2. 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.

With regard to physical complaints, investors may send their complaints to:

**Office of Investor Assistance and Education,**
**Securities and Exchange Board of India,**
**SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex,**
**Bandra (E), Mumbai - 400 051**

## E. Rights of investors

- Right to Privacy and Confidentiality
- Right to Transparent Practices
- Right to fair and Equitable Treatment
- Right to Adequate Information
- Right to Initial and Continuing Disclosure

-Right to receive information about all the statutory and regulatory disclosures

- Right to Fair & True Advertisement
- Right to Awareness about Service Parameters and Turnaround Times
- Right to be informed of the timelines for each service
- Right to be Heard and Satisfactory Grievance Redressal
- Right to have timely redressal
- Right to Exit from Financial product or service in accordance with the terms and conditions agreed with the research analyst
- Right to receive clear guidance and caution notice when dealing in Complex and High-Risk Financial Products and Services
- Additional Rights to vulnerable consumers

- Right to get access to services in a suitable manner even if differently abled

- Right to provide feedback on the financial products and services used
- Right against coercive, unfair, and one-sided clauses in financial agreements

## F. Expectations from the investors (Responsibilities of investors)

- **Do's**

I. Always deal with SEBI registered Research Analyst.
II. Ensure that the Research Analyst has a valid registration certificate.
III. Check for SEBI registration number.

a. Please refer to the list of all SEBI registered Research Analyst which is available on SEBI website in the following link:

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=14

IV. Always pay attention towards disclosures made in the research reports before investing.

V. Pay your Research Analyst through banking channels only and maintain duly signed receipts mentioning the details of your payments. You may make payment of fees through Centralized Fee Collection Mechanism (CeFCoM) of RAASB if research analyst has opted for the mechanism. (Applicable for fee paying clients only)

VI. Before buying/ selling securities or applying in public offer, check for the research recommendation provided by your Research Analyst.

VII. Ask all relevant questions and clear your doubts with your Research Analyst before acting on recommendation.

VIII. Seek clarifications and guidance on research recommendations from your Research Analyst, especially if it involves complex and high risk financial products and services.

IX. Always be aware that you have the right to stop availing the service of a Research Analyst as per the terms of service agreed between you and your Research Analyst.

X. Always be aware that you have the right to provide feedback to your Research Analyst in respect of the services received.

XI. Always be aware that you will not be bound by any clause, prescribed by the research analyst, which is contravening any regulatory provisions.

XII. Inform SEBI about Research Analyst offering assured or guaranteed returns.

- **Don'ts**

I. Do not provide funds for investment to the Research Analyst.

II. Don't fall prey to luring advertisements or market rumors.

III. Do not get attracted to limited period discount or other incentive, gifts, etc. offered by Research Analyst.

IV. Do not share login credential and password of your trading, demat or bank accounts with the Research Analyst.

# Steps to Temporarily Freeze Your Trading Account

SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 (dated January 12, 2024) and Exchange circulars NSE/INSP/61529 and 20240408-12 (dated April 8, 2024) allow customers a facility to freeze or unfreeze online access of their trading accounts.

On PhonePe Invest, you can freeze the access to your trading account if any suspicious activity is detected or observed.

**Here's how to freeze your account:**

**OPTION 1**

1. Tap your profile picture on the top left corner of the PhonePe Invest app
2. Tap **Help Center**
3. Tap **Raise Ticket**
4. Select **Managing my account**
5. Select **Freeze my account**

**OR**

**OPTION 2**

You can also call 080-68727702 from **your registered mobile number** to raise a request to freeze your trading account.

**Here's what will happen after you raise the request:**

You will receive an acknowledgement of the request via SMS and email on your registered mobile number and email ID.
Your account will be frozen within 15 minutes if the request is raised during market hours and 15 minutes before the next trading session commences if the request is raised after market hours.

You will receive a confirmation email and SMS after the process is completed.

**Here's what will happen to your pending orders and other positions:**

All your pending orders will be cancelled after you raise the request to freeze your trading account. Additionally, details of open positions will be shared, if any.

In case you want to close any open positions while your account is frozen please send an email to customerhelpdesk@phonepeinvest.com from the registered email ID requesting the same.

**Here's how to unfreeze your account:**

**OPTION 1**

If you want to unfreeze your trading account, please send an email to **customerhelpdesk@phonepeinvest.com**

from your registered email ID.

**OR**

**OPTION 2**

You can call 080-68727702 from your registered mobile number to raise a request to unfreeze your account.

Please note that for unfreezing, proper due diligence will be carried out and after completing the necessary checks, clients will receive an email notification regarding the status of their unfreeze request.

For more details, please refer the RMS Policy

**Important Note:**

1. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member.
2. The request for freezing/ blocking does not constitute a request for marking client Unique Client Code (UCC) as inactive in the Exchange records