

## **TERMS AND CONDITIONS**

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

**Share India Securities Ltd**

**Regd. Office:** Unit No. 604 A-B, 605 A-B, 6<sup>th</sup> Floor, Tower-A, World Trade Centre, GIFT City, Block-51, Zone-5, Road 5 E, GIFT City, Gandhi Nagar, Gujarat-382355

**Corporate Office:** A-15, Sector-64, Noida, Uttar Pradesh-201301

**CIN No. -** L67120GJ1994PLC115132

**Tel.:**0120-4910000, 6910000 Fax No: 0120-4910030

**Email:**info@shareindia.com

In case of any grievances please write to investors@shareindia.com

### **Registration Numbers:**

SEBI Registration No: INZ000178336. NSE: TM Code -10798, BSE Clearing No.:0226, MCX: 56190, NCDEX: 01256, ICEX: 2078, DP: CDSL-IN-DP-32-2015

I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker, tariff sheet and all voluntary/non-mandatory documents. I hereby declare that I am not making this application for the purpose of contravention of any Act, Rules, Regulations or any statute of legislation or any notifications/directions issued by any governmental or statutory authority from time to time.

**Rights and Obligations of stock broker/trading member, sub-broker and client for trading on Exchanges (including additional rights & obligations in case of internet/wireless technology based trading)**

<b>RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS</b>
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### **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, sub-broker and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/ notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.

6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

### **CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.

8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.

9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

### **MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

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

### **TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.

15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.

16. Where the Exchange(s) cancels trade(s) suo motu all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).

17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under 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 there under..

### **BROKERAGE**

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

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

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/ Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

### **DISPUTE RESOLUTION**

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

23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

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

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

26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.

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

29. In the event of demise/insolvency of the sub broker or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

### **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.

31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.

36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and nontamperable.

39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the email ID of the client..

40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.

42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

## **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker 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 there under or Rules and Regulations of SEBI.

44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.

45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.

46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued there under of the Exchanges/SEBI.

47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/ circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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

**(All the clauses mentioned in the 'Rights 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 whatsoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker.
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username /password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/ password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.

10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

## **RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES 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.

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

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

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

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

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

## **1.6 Risk of Rumors:**

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

### **1.7 System Risk:**

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

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

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

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

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

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

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

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

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

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

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

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

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing

open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

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

## **2.2 Currency specific risks:**

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

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or 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 i.e. [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com), [www.useindia.com](http://www.useindia.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form..
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

#### **TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. 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.

**POLICIES & PROCEDURES Pursuant to SEBI's Circular No. MIRSD/SECir-19/2009 dated December 3, 2009**

**1. Refusal of order for Penny stocks :**

SHARE INDIA shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid futures/options, far month futures/options, writing of options, stocks in S, ST, X, Z, P and GSM category and any other contracts which as per the perception of SHARE INDIA are extremely volatile or subject to Market manipulation.

SHARE INDIA may permit restrictive acceptance of orders in such scrips/contracts in controlled environments like orders received from clients being forwarded by branches to a centralized desk at HO instead of allowing trading in such scrips/Contracts at branch level or through Online trading platform. SHARE INDIA shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client.

SHARE INDIA may cancel orders in such scrips/contracts received from clients before execution or after partial execution without assigning any reasons thereof. SHARE INDIA may take appropriate declarations from the clients before accepting such orders.

SHARE INDIA shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and/or the client had previously purchased or sold such securities / contracts through SHARE INDIA itself.

**2. Setting up client's Exposure limits :**

**Purchase Limit:** SHARE INDIA may provide a exposure limit for intraday and delivery based purchases by a client which would be a multiple (varying between one to four times) of the clear ledger balance in the account of the client plus value of paid up collaterals computed after appropriate haircut. The value of the "multiple" and the "haircut" shall be decided by SHARE INDIA based on Market Volatility and quality of collaterals.

**Sell Limit:** SHARE INDIA may provide a sell limit to the client equivalent to the value of securities held by the client in his POA enabled Demat account plus the collateral held by SHARE INDIA on behalf of the client in its Beneficiary and Margin Pool account after making appropriate adjustments for the unsettled delivery positions of the client.

**Exposure for F&O:** SHARE INDIA may provide exposure for F&O based on availability of initial margin (SPAN + Exposure) in the form of cash and approved securities (with appropriate hair cut).

**Client-wise differential Limits:** SHARE INDIA shall have the prerogative to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past conduct of each client.

**3. Applicable Brokerage Rates :**

Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration of the client and/or subsequently through a written agreement between the client and SHARE INDIA. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange bye-laws.

The slab rates of brokerage fixed by SHARE INDIA are function of the quality and cost of services provided to the client and the volume and revenue expected from an account. It shall be reviewed by the SHARE INDIA from time to time and may be increased with prospective

effect at a notice of 15 days sent to the E-mail address or postal address of the client registered with SHARE INDIA.

The brokerage shall however be exclusive of the following:

- DP Annual maintenance charges
- DP transaction charges / Pledge / Re-pledge / Demat / Remat charges
- DP Inter settlement charges
- Account Opening charges
- Delayed Payment charges
- Penalties levied by Exchange
- Research advisory charges
- Courier charges
- Bank charges towards the cheques received unpaid
- DP, Bank and other processing charges towards periodic settlement of Funds/ Securities on periodic basis
- Statutory charges payable to Exchange/ SEBI/Govt. Authorities etc.,
- SEBI/Exchange/Clearing Member Turnover charges
- Other out of pocket and service related charges

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

**Delayed payment charges / Charges on Exposure against collaterals:**

As a matter of policy Share India does not provide funding facility (ies) to any of its client.

Pursuant to Exchange Bye-laws, the Member broker is currently required to make pay-in of funds to the Exchange by T+1 / T+2 morning and arrange delivery of securities to the Exchange latest by T+2 morning. Further Member broker is also required to maintain adequate upfront margins with the Exchange to avail exposure for trading. The Exchanges have also defined the ratios in which the cash and collaterals are to be deposited and maintained by the Member broker. In addition, the Exchange requires the member broker to deposit some of the margins like MTM, in Cash only.

SHARE INDIA shall therefore charge a delayed payment penalty, not exceeding 2% per month plus GST, on account of delays/failure by the client in meeting the pay-in obligations on the scheduled date and also where the clients take exposure in F&O segment by depositing collaterals in a ratio which is disproportionate to the Cash versus collaterals ratios prescribed by the Exchanges. The above-mentioned delayed payment charges shall be levied for the entire period commencing from expiry of respective pay-in deadline till the date of actual realization of relevant dues from the client.

SHARE INDIA may also pay interest at such rates not exceeding prevailing bank rates on the unutilized margin amount lying on behalf of the client with SHARE INDIA to such clients, as it may deem fit in its sole discretion, from time to time.

**Penalties levied by Exchanges:**

Further Exchanges levy various penalties on the member brokers on auction resulting from short deliveries, non adherence to client-wise exposure limits, client-wise shortfall in F&O Margin and for other reasons which may be defined by the Exchange from time to time. SHARE INDIA shall therefore pass on any such penalty levied on it to the respective client's account.

**Interest Free Deposits:**

SHARE INDIA provides exposure against the upfront margin received in the form of cash / collateral from the client. The client may at anytime demand withdrawal of cash and collaterals at his discretion. Therefore SHARE INDIA shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collateral margins with SHARE INDIA.

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

SHARE INDIA shall have right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay/ failure of the client to meet the pay-in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk in the dynamic market conditions.

**a. Unpaid Securities in Capital Market :**

- i. In case of unpaid obligation on T+3, SHARE INDIA may sell the unpaid/ partially paid securities. In addition SHARE INDIA may sell the collaterals deposited by the client towards margins and/ or paid securities purchased by the client in earlier settlements where the sale of proceeds of unpaid securities are inadequate to cover the pay-in obligations and/ where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.
- ii. SHARE INDIA may follow the LIFO method for liquidation of securities but it shall not be binding on it to follow this method in all cases.

**b. The margin shortfall in F&O:**

- i. Positions of the client may be closed out to the extent of margin shortfall on the T+1 basis.
- ii. While computing margin shortfall, value of unapproved securities shall not be considered.
- iii. As per the current Exchange requirements, the Member Broker is required to maintain a 50:50 ratio between cash and collaterals margin deposited with the Exchange. SHARE INDIA shall therefore have the prerogative to insist for at least 50% of margin in cash and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall and close out the F&O position wherever it finds the deviation. However, sales made in capital market segment shall not be considered while closing F&O positions on T+1 basis due to margin shortfall.

**c. Intra-day Positions :**

SHARE INDIA shall have right to close out any intra-day positions taken by the client after a defined "Cut-off" time (Presently 20 minutes before close of market).

**d. General:**

- i. While selling the securities/ closing the clients positions, SHARE INDIA may take into account the sales made by the client, positions closed by the client or collections received from the client till a cut-off time (presently 12.45pm).
- ii. While selling the securities/ closing the clients positions, SHARE INDIA may not take into consideration Cheques/Bank drafts/Pay orders deposited by the client with SHARE INDIA until clear proceeds of such instruments are received by SHARE INDIA in its bank account.
- iii. SHARE INDIA shall have the right to sell client's securities or close out client's open positions but it shall not be under any obligations to undertake this exercise compulsorily. SHARE INDIA shall therefore not be under any obligation to compensate/ or provide reasons of any delay or omission on its part to sell client's securities or close open positions of the client.

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

Our company shall strive to handle all the instances involving internal shortages in terms of NSE Clearing Limited Circular No. NCL/CMPT/46456 dated 25<sup>th</sup> November, 2020 as may be applicable from time to time.

However, in all such cases, wherein the internal shortages cannot be handled as per aforementioned circular, the internal shortages shall be handled in terms of policy declared on our website [www.shareindia.com](http://www.shareindia.com)

**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**

**a. All Markets:**

Where client is not having adequate margins as per conditions defined under Section 2.

**b. Capital Market:**

- i. Where the client has not been able to meet his pay-in obligation in cash by the schedule date of pay-in irrespective of the value of collaterals available with SHARE INDIA.
- ii. Clear proceeds of the cheque deposited by the client to meet the pay-in obligations has not yet been received by SHARE INDIA.
- iii. Client is trading in "illiquid" scrips and volumes in his account exceed internal cut off limit fixed by SHARE INDIA
- iv. SHARE INDIA exposure at "house level" in a specific scrip / contract exceeds the internal limits fixed by SHARE INDIA.

**c. F&O:**

- i. Where the client has not met Market to Market loss in cash
- ii. Where the "open" positions in a contract exceed or are close to market wide cut-off limits
- iii. Where the client's position is close to client-wise permissible "open" positions
- iv. During the applicable delivery/tender period.

**d. INTRA-DAY:**

Clients will not be able to place intra-day orders after a cutoff time fixed by SHARE INDIA. (Presently 20 minutes prior to close of market)

**Event Based:** Where based on happening of an event, SHARE INDIA has the risk perception that further trading in the securities/ contracts may not be of interest of its clients and/or the market

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

SHARE INDIA may carry a periodic review of the client accounts and may suspend the accounts from Trading in the following circumstances:

- Where the client is inactive for more than 12 months
- Where the client has not cleared the naked or uncovered debits which are more than 7 days 'old.
- Where the account is under investigation by any regulatory body.
- Based on the recommendations made by the Branch Manager due to excessive speculations, un-cleared balances etc.

- Physical contract notes are received back undelivered due to reasons like “no such person”, “addressee left”, refusal to accept mails, POD’s signed by the third persons, signature mismatch on POD’s or other reasons which may create suspicion.
- Close out of the open positions.
- Non updation of communications details viz., email id, Mobile no, Land line details or it is found to be belonging to a third person.
  - Client lodges a complaint either directly with SHARE INDIA or through Exchange alleging unauthorized trades being executed in his account.
  - On notices received from statutory, Government or Local authorities and/or Income Tax, Service Tax, Judicial or Quasi Judicial authority, etc.
    - Where a client is reported to or known to have expired.
  - SHARE INDIA may also suspend the account based on the written request received from the client.

## **9. Deregistering a client**

SHARE INDIA may de-register the client account based on action taken by SEBI/NSE/BSE/MCX/ NCDEX or being part of list of debarred entities published by SEBI.

- SHARE INDIA may also initiate action for deregistering a client on basis of the information found in sites of CIBIL, Watch out investors, world check or client having suspicious back ground, link with suspicious organization, etc.,
- SHARE INDIA shall have right to close out the existing positions, sell the collaterals to recover its dues, if any, before de-registering the client.

## **10. Payment Terms**

The clients' shall be required to ensure that full payment towards funds pay-in obligations are made by them latest by respective pay-in deadline. Any default on this count may lead to retention of securities received in pay-out. Such securities, if any, shall be dealt with in accordance with the contents of para "Handling of Unpaid Securities".

## **11. Handling of Unpaid Securities**

In all such cases, wherein client is unable to fulfill his/her funds pay-in obligation by respective pay-in deadline, then the securities pay-out due to the client may be transferred to company's "Client Unpaid Securities Account" as per company's applicable Risk Management Policy. Further, in case of non-payment within 5 trading days from the date of securities pay-out, the unpaid securities may be sold from the Unique Client Code (UCC) of the respective client as per company's applicable Risk Management Policy. Profit/loss on the sale transaction, if any, in relation to sale of unpaid securities, shall be transferred to /adjusted from the respective client account. Remaining securities lying in Client Unpaid Securities Account, if any, shall be returned to the client.

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

For the purpose of this document, unless the context otherwise requires:

- a) The words "Share India" wherever used in this schedule shall be deemed to be referring to M/s. Share India Securities Limited, a company incorporated under the relevant provision of the Companies Act, 1956 and having its registered office at Unit No. 604A-B, 605A-B, 6th Floor, Tower A, World Trade Centre, GIFT City, Block-51, Zone-5, Road 5E, GIFT City, Gandhinagar, Gujarat-382355;
- b) Words denoting the singular numbers shall also include the plural and vice versa;
- c) The pronouns "he", "she", "it" and their cognate variations are used as

- interchangeable and interpreted in accordance with the context;
- d) Words denoting a person shall include an individual, corporation, company, partnership, trust or other entity; provided however that clauses specifically applicable to a company, partnership or body corporate shall not apply to any other entity;
  - e) References to the words "include" or "including" shall be construed without limitation;
  - f) References to recitals and clauses shall be deemed to be a reference to the recitals and clauses of this schedule; and
  - g) Reference to any rule, regulation, by-laws, circulars, guidelines and / or directives shall be construed as referring also to any amendment, addition or deletion therein or re-enactment thereof.

#### **Additional Rights & Obligations:**

1. The Client agrees and acknowledges that Share India shall not be liable to provide him with any legal, tax, investment or accounting advice or advice regarding the suitability or profitability of a security or investment and as such all investment and disinvestment decisions shall be based on the Client's own evaluation of financial circumstances and investment objectives. This extends to any decision made by the Client on the basis of any information that may be made available by Share India including that on the website/trading platform/through SMS etc. The Client will not hold nor seek to hold Share India or any of its officers, directors, employees, agents, subsidiaries, affiliates or business associates liable for any trading losses or other losses, costs or damage incurred by the Client consequent upon relying on information, research opinions or advice or any other information whatsoever including that on the website whether put up by Share India or any other agency. Share India does not represent and shall not be deemed to have represented that the investment information is accurate or complete. The Client is aware that any information based on the research of Share India or other external sources is merely an estimation of the viability or otherwise of certain investments, and Share India shall not be deemed to have assumed any responsibility for such information. The Client should seek independent professional advice regarding the suitability of any investment decision. The Client also acknowledges that Share India's employees/agents are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from Share India or any of its employees/agents.
2. The Client hereby agrees and declares that he has fully assessed and accepted the risks involved in using the services / facilities including but not limited to internet based services such as but not limited to misuse of passwords, internet frauds, technology risks etc.; and agrees not to hold Share India and/or service providers responsible for any damages, losses or negative consequences, which Client may suffer in any manner whatsoever.
3. The Client shall regularly review information relating to order placement, order confirmation, order modifications, order executions, trade confirmations, trade modifications and/or any other information that may be contained in bills, transaction statements, account statements, securities statements, margin statements etc. pertaining to Client's account, communicated or sent by Share India either to Client himself or to any of his relatives, associates or authorized representatives in person or through telephone, SMS, e-mail, courier, ordinary post, speed post, registered post, telegram or any other means or modes that may be available with Share India at the relevant time to Client's Mobile / Telephone No., E-mail Id and/or Postal Address as per Share India's records, and to report the discrepancies in such information/ correspondence, if any, immediately within a period not exceeding 7 days after dispatch of the same from Share India's end by delivering a physical letter in this regard at Share India's corporate office.
4. The Client agrees to ensure that he shall not act as a portfolio manager / sub-broker / authorised person / intermediary without getting himself registered as such, in accordance with relevant provisions of rules, regulations, by-laws, circulars and guidelines of the respective

stock exchange(s) and / or SEBI.

5. Client agrees to Share India tape-recording the conversations between Client/Client's representative and Share India's officers/ employees/agents etc. in its absolute discretion, either personally or over the telephone. Such recordings may be relied upon by Share India in appropriate legal / conciliatory proceedings.
6. The Client undertakes that he shall neither place nor cause to be placed any such orders (including but not restricted to such orders which are either structured, synchronized or circular in nature and/or such other orders which has or may have the potential of manipulation of order books, prices and/or volumes of the respective scrips/securities/ contracts and/or such other orders which do not have any bonafide economic rationale or are otherwise in-genuine in nature) at the trading terminals of Share India, which violates any of the provisions of rules, regulations, bye-laws, circulars, guidelines and/or directives of SEBI / respective Stock Exchange/s, as may be in force from time to time. In case of any default on the part of the Client in this regard, the Client unconditionally agrees to wholly indemnify Share India against all such damages, losses and/or penalties, which Share India may be required to incur or suffer on account of Client's violation/non-compliance of the conditions contained in this clause, irrespective of the fact whether such damage/loss/penalty arises during the period of existence of Broker-Client relation of the parties hereto, or at any time thereafter.
7. In case Client has made any sale of securities and due to any exigencies, Client is unable to make available the delivery of the same in the designated account within the designated time and it is an inter Client delivery at broker level, Client hereby agrees that Share India may make purchases of the same in the market on Client's behalf to make available the delivery of the said securities to the opposite party.
8. Client agrees that his trading account/s may be debited with late payment charges as mentioned in Standard Policies and Procedures documents as Share India may deem fit in its absolute discretion, in case the Client fails to meet his pay-in obligations by such pay-in deadlines as may be prescribed by respective Stock Exchange(s)/ SEBI from time to time;
9. Client agrees that his trading account/s may be debited with all such charges, damages, penalties and/or losses including cheque bouncing charge/s, charges towards depository services provided by Depository Participant division of Share India to the Client, all statutory charge/s as well as penalties of any kind whatsoever, which Share India may be required to suffer or pay from time to time, due to any of the Clients' actions, omissions, negligence and/or default of any kind whatsoever;
10. Client agrees that all such securities that have been deposited by the Client with Share India towards collateral / margin and/or such other securities that may be lying with Share India from time to time due to maintenance of running account by the Client with Share India, may be deposited / pledged by Share corporation / clearing house / clearing member/any other person or entity, as Share India may deem fit in its absolute discretion;
11. Share India shall be within its right to demand sums due separately for any specific segment and/or stock exchange, if it so deems fit in its absolute discretion. Further, the Client authorizes Share India to set-off outstanding balance/s in any of Clients' trading accounts with Share India against credits available or arising in any other trading account/s maintained by the Client with Share India, irrespective of the fact whether such credit pertains to transactions in different segments of the same Stock Exchange or of different Stock Exchanges and/or against the value of cash margin, securities and / or any other collateral deposited by the Client with Share India;

12. The Client agrees that all monies or securities which Share India may hold on Client's accounts shall be held subject to a general lien for the discharge of Client's obligations towards Share India.
13. Client agrees that Share India may in its sole discretion, set-off / appropriate / adjust a part or whole of the monies / credit balances in ledger and / or securities (shares/stocks/commodities etc) and / or Margin lying as credit in Client's account against any dues / debit balances in ledger including but not limited to dues by way of short fall in Margin in any of Client's account.
14. The Client understands and agrees that in no case Share India shall be able to give to the Client, credit against Third Party Payments/ Deliveries tendered/transferred by the Client to the respective Bank and/or Demat Account of the Share India. However, in case due to any error or omission, whether bonafide or otherwise on the part of any of the employees/agents etc. of Share India, the Client gets credit towards any Third Party Payments/ Deliveries, then in such a case
  - a) where the Client has received credit towards any third party payments, the Client unconditionally agrees to arrange for refund of the entire amount for which undue credit has been received by the Client from Share India, forthwith on receipt of intimation / request in this regard from Share India, and in a case, where the Client has failed to refund the entire amount within 7 days from the date of receipt of intimation / request as aforesaid, then he shall be liable to refund the said amount along with interest @ 18% p.a. plus GST payable for the entire period falling between date of receipt of intimation / request as aforesaid and the date of receipt of actual refund by Share India from the Client; and
  - b) where the Client has received credit towards any third party deliveries, the Client unconditionally agrees to arrange for returning all such securities along with all the Corporate Benefits thereon, if any, received by the Client on such securities for which undue credit has been received by him, forthwith on receipt of intimation / request in this regard from Share India, and in case, where the Client fails to return the Securities/Corporate Benefits as aforesaid, the Client shall be liable to pay to Share India, the money equivalent to market value of the Securities / Corporate Benefits not so returned, calculated in accordance with market rates of the relevant securities, prevailing on the date of such payment.
15. The Client understands and agrees that in case due to any error or omission, whether bonafide or otherwise, on the part of any of the employees/agents etc. of Share India Share India pays / transfers / credits to the Client any funds / securities to which the Client was not entitled, then in such a case
  - a) where the Client has received any payment/credit from Share India for an amount to which he was not entitled, the Client unconditionally agrees to arrange for refund of the entire amount unduly received by him, forthwith on receipt of intimation / request in this regard from Share India, and in a case, where the Client has failed to refund the entire amount within 7 days from the date of receipt of intimation / request as aforesaid, then he shall be liable to refund the said amount along with interest @ 18% p.a. plus GST payable for the entire period falling between date of receipt of intimation / request as aforesaid and the date of actual receipt of refund by Share India from the Client; and
  - b) where the Client has received any securities from Share India to which he was not entitled, the Client unconditionally agrees to arrange for returning all such securities along with all the Corporate Benefits thereon, if any, received by the Client on such securities unduly received by him, forthwith on receipt of intimation / request in this regard from Share

India, and in case, where the Client fails to return the Securities/ Corporate Benefits as aforesaid, the Client shall be liable to pay to Share India, the money equivalent to market value of the Securities / Corporate Benefits not so returned, calculated in accordance with market rates of the relevant securities, prevailing on the date of such payment. Irrespective of the fact whether such a payment/transfer takes place during the period of existence of Broker-Client relation of the parties hereto, or at any time commencing thereafter.

16. The Client agrees to accept the responsibility of himself knowing the status of all corporate action(s) including but not limited to Rights Issues, Bonus Issues, Dividends, Stock Splits, Consolidation of Shares, Buy Backs, Open Offers, Reduction / Reorganization of Capital, Merger, Demerger or Amalgamation of Companies and/or Delisting of Companies/ Securities etc. announced or intimated by Issuer Company from time to time, which may or may not have an impact on prices, volumes, lot sizes and/or tradability of respective securities and/or contracts. It is the Client's responsibility to keep track of all such corporate action/s in respect of all such securities / contracts in which Client intends to trade and/or those which are kept by Client with Share India for ease of dealing/margin/ collateral / security etc. and to make appropriate trading / dealing decisions by appropriately considering the impact of any such corporate action(s). Share India shall not be able to act as an advisor to Client in any of these matters/ aspects.

The Client also agrees that in respect all such securities which are kept by Client with Share India for ease of dealing / margin / collateral / security etc., Share India shall not be responsible in any manner to provide any benefits arising out of various Corporate Actions including benefits arising out of Right Issues, Open Offers and Delisting Offers unless benefits, if any, under such Corporate Actions automatically gets credited to the respective Bank/Demat Accounts of Share India, without requiring any action whatsoever on the part of Share India. However, in case of dividend / bonus / stock splits, the benefit thereof shall be passed on to the respective Clients by the Share India, within one month after receipt thereof.

Further, for availing the benefits arising out of Corporate Actions requiring some action e.g. Right Issues, Open Offers and Delisting Offers etc., in respect all such securities which are kept by Client with Share India for any reason whatsoever, the Client shall be solely responsible for applying for such corporate benefits after himself taking initiative for getting such securities transferred into his own beneficiary account well in advance before applicable record date / cut-off date / book closure, if any. In exceptional circumstances only, Share India may, upon written request of the Client given well in advance, take actions for and on behalf of the Client, to apply for and / or to receive such corporate benefits in respect of securities held by Share India on behalf of the Client (subject to Client making available free funds etc. for the same well in advance). However, Share India shall not be liable for any loss / claim whatsoever, in the event such application is rejected by Registrar/ Company / Manager to the Issue, for any reason whatsoever.

17. The Client agrees to accept full responsibility of himself knowing all the applicable rules, regulations, byelaws and directives, if any, in relation to delivery transactions on Commodity Derivatives Segment/s. Share India shall not be able to act as advisor to Client in any of these matters. The client agrees to assume complete and unconditional responsibility in respect of all the compliances, taxes, costs, charges, fee, levies and/or penalties etc., if any, relevant to delivery transactions on Commodity Derivatives Segment/s. The client also unconditionally agrees to reimburse all the costs, expenses and/penalties etc., if any, which Share India may be required to incur and/or suffer on account of client's delivery transactions on Commodity Derivatives Segment/s.
18. The parties hereto have agreed that failure of either party to enforce at any time any terms contained in this schedule, shall not be construed to be the waiver of such terms or of the right to

enforce such terms, at any time thereafter.

19. If any provisions of this schedule are held invalid or unenforceable by reason of any law, rule, administrative order or judicial decision by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provisions held invalid. The validity of remaining provisions and terms shall not be affected thereby and these terms shall be carried out as if such invalid / unenforceable provisions or terms were not contained herein

## **RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI & DEPOSITORIES**

### **General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

### **Beneficial Owner information**

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

### **Fees/Charges/Tariff**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "*no charges are payable for opening of demat account*".
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

### **Dematerialization**

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

### **Separate Accounts**

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye- Laws/Operating Instructions/Business Rules of the Depositories.

### **Transfer of Securities**

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

12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

### **Statement of account**

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.

14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.

15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

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

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

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

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

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

## **Liability of the Depository**

21. As per Section 16 of Depositories Act, 1996,

1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.

2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

## **Freezing/ Defreezing of accounts**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

## **Redressal of Investor grievance**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

## **Authorized representative**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

## **Law and Jurisdiction**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.

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

28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.

29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.

30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.

31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

## **RUNNING ACCOUNT AUTHORISATION**

I/ we/ are/ shall be maintaining a trading account with you for the purpose of doing trading transactions and in order to facilitate ease of operations. I/ we authorize you as under:

1. My/ our trading account w.r.t funds transactions may please be maintained on a running basis i.e. the funds pay out due to me/ us on the date of pay-out may be retained with you good selves and adjusted towards my/ our future margin obligations and/ or funds pay-in obligations.
2. While settling my/ our trading account on a periodical basis, you may retain my/ our funds only to such extent as may be allowed as per applicable directives/ guidelines issued by Stock Exchanges/ SEBI.
3. I/ we confirm that I/ we shall bring to your notice all the discrepancies/ disputes, if any, arising out of statements sent to me/ us at the time of my/ our periodical settlement, within a period of 30 working days from the date of such statements.
4. I/ we reserve my/ our right to revoke this authorization at any time without any prior notice by submitting a written request with you goodselves:

## **AADHAR LINKING**

I hereby authorize NSDL e- Governance Infrastructure Limited (NSDL E-Gov) to-

1. Use my Aadhar/ Visual ID details ( as applicable) for the purpose of eSign of documents requested using Digio- a Digital Transaction Management platform for/ with Digiotech Solutions Private Limited and authenticate my identity through the Aadhar Authentication system (Aadhar based e-KYC services of UIDAI) in accordance with the provisions of the Aadhar( Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 and the allied rules and regulations notified there under and for no other purpose.
2. Authenticate my Aadhar/ Virtual ID through OTP or Biometric for authenticating my identity through the Aadhaar Authentication system for obtaining my e-KYC through Aadhaar based e-KYC services of UIDAI and use my Photo and Demographic details (Name, Gender, Date of Birth and Address) for the purpose of eSign of documents requested using Digio- a Digital Transaction Management platform for/ with Digiotech Solutions Private Limited.
3. I understand that Security and confidentiality of personal identity data provided, for the purpose of Aadhaar based authentication is ensured by NSDL e-Gov and the data will be stored by NSDL e-Gov till such time as mentioned in guidelines from UIDAI from time to time.