

CLIENT REGISTRATION KIT
(CAPITAL MARKET / F&O / CURRENCY DERIVATIVES /
MUTUAL FUND SERVICE SYSTEM SEGMENT)



Ontrust Capital Markets Private Limited

Members : National Stock Exchange of India Limited

CLIENT CODE_____

CLIENT NAME_____

ACCOUNT OPENING KIT



Name of Stock Broker / Trading Member : Ontrust Capital Markets Private Limited

SEBI Registration Nos. and Date : INB 231424632 Dated 14.12.2010
INF 231424632 Dated 14.12.2010
INE 231424632 Dated 14.12.2010

Registered Office Address :

403, Vardaan, 25-A, Camac Street, Kolkata - 700 016
Phone : (033) 4006-0460 to 0465, Fax : (033) 4006-0466
E.mail : trades@ontrustcap.com, Website : www.ontrustcap.com

Correspondence Office Address :

404, Sikkim Commerce House, 4/1, Middleton Street, Kolkata - 700 071
Phone : (033) 4006-0460 to 0465, Fax : (033) 4006-0466

Name of Clearing Member : IL&FS SECURITIES SERVICES LTD.

SEBI Registration Nos. and Date : INF 231133630 Dated 02.06.2000
INE 231133630 Dated 25.08.2008

Registered & Correspondence Office Address of Clearing Member :

IL&FS House, Plot No. 14, Raheja Vihar, Chandivli
Andheri (East), Mumbai - 400 072
Phone : (022) 2857-0965, 4249-3000, Fax : (022) 2857-0948 / 0949
E.mail : fno.group@issl.co.in, Website : www.issl.co.in

Compliance Officer Name, Phone No. & email ID :

Lalit Kumar Chetani, (033) 4006-0463, lalit.chetani@ontrustcap.com

CEO Name, Phone No. & email ID :

Shekhar Kumar Jain, (033) 4006-0460, shekhar.jain@ontrustcap.com

For any grievance/dispute, please contact **Ontrust Capital Markets Private Limited** at the above address or email id : investor.grievance@ontrustcap.com and Phone No. : (033) 4006-0460. In case not satisfied with the response, please contact the National Stock Exchange of India Limited at ignse@nse.co.in and Phone No. (022) 2659-8190.

Disclosure of Proprietary trading pursuant to SEBI Circular No. : SEBI/MRD/SE/Cir-42/2003 dated 19th November, 2003 and NSE Circular No. : NSE/INVG/PRE/2003/16 dated 25th November, 2003 :

We, **Ontrust Capital Markets Private Limited**, are also engaged in Proprietary trading apart from Client based business.

Ontrust Capital Markets Private Limited

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KNOW YOUR CLIENT (KYC) APPLICATION FORM - FOR INDIVIDUALS

PHOTOGRAPH

Please fill this form in **ENGLISH** and in **BLOCK LETTERS**.

Please affix your recent passport size photograph and sign across it


IDENTITY DETAILS																			
Name of the Applicant																			
Father's / Spouse Name																			
Gender				<input type="checkbox"/> Male <input type="checkbox"/> Female				Marital Status		<input type="checkbox"/> Single <input type="checkbox"/> Married									
Date of Birth (dd/mm/yyyy)						/			/			Nationality							
Status				<input type="checkbox"/> Resident Individual <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreign National															
PAN																			
Unique Identification Number (UID) / Aadhaar, if any																			
Specify the proof of Identity submitted																			
ADDRESS DETAILS																			
Address for correspondence																			
City/Town/Village								Pin Code											
State								Country											
Contact Details																			
Tel. (Off.)								Tel. (Res.)											
Mobile No.								Fax											
Email id																			
Specify the proof of address submitted for correspondence address																			
Permanent Address*																			
City/Town/Village								Pin Code											
State								Country											
Specify the proof of address submitted for permanent address																			
OTHER DETAILS																			
Gross Annual Income Details (please specify)																			
Income Range per annum				<input type="checkbox"/> Below ₹ 1 Lac <input type="checkbox"/> 1-5 Lac <input type="checkbox"/> 5-10 Lac <input type="checkbox"/> 10-25 Lac <input type="checkbox"/> >25 Lacs,															
OR																			
Net-worth								as on (date)				/			/				
(Net worth should not be older than 1 year)												(d d m m y y y y)							
Occupation				<input type="checkbox"/> Private Sector <input type="checkbox"/> Public Sector <input type="checkbox"/> Government Service <input type="checkbox"/> Business															
(Please tick any one and give brief details)				<input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Housewife <input type="checkbox"/> Student															
				<input type="checkbox"/> Others _____															

*(if different from above or overseas address, mandatory for Non-Resident Applicant)

Please tick, if applicable	<input type="checkbox"/> Politically Exposed Person (PEP)
	<input type="checkbox"/> Related to a Politically Exposed Person (PEP)
Any other information	

DECLARATION

I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

 _____
Signature of the Applicant

Date (dd/mm/yyyy) :

			/			/				
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FOR OFFICE USE ONLY

- ☐ (Originals verified) True copies of documents received
- ☐ (Self-Attested) Self Certified Document copies received

 _____
Signature of the Authorised Signatory

Date (dd/mm/yyyy) :

			/			/				
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Seal/Stamp of the intermediary

KNOW YOUR CLIENT (KYC) APPLICATION FORM - FOR NON-INDIVIDUALS

Please fill this form in ENGLISH and in BLOCK LETTERS.

IDENTITY DETAILS																										
Name of the Applicant																										
Date of Incorporation(dd/mm/yyyy)										Place of Incorporation																
Date of commencement of business(dd/mm/yyyy)																										
Registration No. (e.g. CIN)										PAN																
Status (Please tick any one)					<input type="checkbox"/> Private Limited Co. <input type="checkbox"/> Public Ltd. Co. <input type="checkbox"/> Body Corporate																					
					<input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Charities <input type="checkbox"/> NGO's <input type="checkbox"/> FI <input type="checkbox"/> FII																					
					<input type="checkbox"/> HUF <input type="checkbox"/> AOP <input type="checkbox"/> Bank <input type="checkbox"/> Government Body <input type="checkbox"/> Non-Government																					
					Organization <input type="checkbox"/> Defence Establishment <input type="checkbox"/> BOI <input type="checkbox"/> Society <input type="checkbox"/> LLP																					
					<input type="checkbox"/> Others (please specify) _____																					
ADDRESS DETAILS																										
Address for correspondence																										
City/Town/Village										Pin Code																
State										Country																
Contact Details																										
Tel. (Off.)										Tel. (Res.)																
Mobile No.										Fax																
Email id																										
Specify the proof of address submitted for correspondence address																										
Registered Address (if different from above)																										
City/Town/Village										Pin Code																
State										Country																
Specify the proof of address submitted for registered address																										
OTHER DETAILS																										
Gross Annual Income Details (please specify) : Income Range per annum :																										
<input type="checkbox"/> Below ₹ 1 Lac <input type="checkbox"/> 1-5 Lac <input type="checkbox"/> 5-10 Lac <input type="checkbox"/> 10-25 Lac <input type="checkbox"/> 25 Lacs-1 crore <input type="checkbox"/> > 1 crore																										
Net-worth										as on (date)																
(*Net worth should not be older than 1 year)																										
Name, PAN, Residential Address and Photographs of Promoters / Partners / Karta / Trustees and Whole Time Directors										As per ANNEXURE on Page No. 4																
DIN / UID of Promoters / Partners / Karta and whole time directors										As per ANNEXURE on Page No. 4																
Please tick, if applicable, for any of your authorized signatories / Promoters / Partners / Karta / Trustees / Whole Time Directors										<input type="checkbox"/> Politically Exposed Person (PEP) <input type="checkbox"/> Related to a Politically Exposed Person (PEP)																
Any other information																										

DECLARATION

I / We hereby declare that the details furnished above are true and correct to the best of my / our knowledge and belief and I / we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am / we are aware that I / we may be held liable for it.



Name & Signature of the Authorised Signatory

Date (dd/mm/yyyy) :

				/				/				
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FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received



Signature of the Authorised Signatory

Date (dd/mm/yyyy) :

				/				/				
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Seal/Stamp of the intermediary

ANNEXURE

DETAIL OF PROMOTERS / PARTNERS / KARTA / TRUSTEES AND WHOLE TIME DIRECTORS AND PERSONS
AUTHORIZED TO DEAL IN SECURITIES ON BEHALF OF COMPANY / FIRM / OTHERS

Particulars	1st	2nd	3rd
Designation			
Name			
PAN			
DIN / UID			
Residential Address			
Photograph	Please affix your recent passport size photograph and sign across it	Please affix your recent passport size photograph and sign across it	Please affix your recent passport size photograph and sign across it
Signature			

Use additional sheets, if required.

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS :

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/ Trustees and Whole Time Directors and persons authorized to deal in securities on behalf of Company/ Firm/Others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of Passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

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

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/ Debit cards issued by Banks.

C. Proof of Address (POA) : - *List of documents admissible as Proof of Address :*

(*Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.

4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN

(*Sufficient documentary evidence in support of such claims to be collected.)

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

E. List of people authorized to attest the documents :

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

F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below :

Corporate

- ❖ Copy of the balance sheets for the last 2 financial years (to be submitted every year).
- ❖ Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the Company Secretary/Whole Time Director/MD (to be submitted every year).
- ❖ Photograph, POI, POA, PAN and DIN numbers of Whole Time Directors/two directors in charge of day to day operations.
- ❖ Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.
- ❖ Copies of the Memorandum and Articles of Association and certificate of incorporation.
- ❖ Copy of the Board Resolution for investment in securities market.
- ❖ Authorised signatories list with specimen signatures.

Partnership Firm

- ❖ Copy of the balance sheets for the last 2 financial years (to be submitted every year).
- ❖ Certificate of Registration (for registered Partnership Firms only).
- ❖ Copy of Partnership Deed.
- ❖ Authorised Signatories list with specimen signatures.
- ❖ Photograph, POI, POA, PAN of Partners.

Trust

- ❖ Copy of the balance sheets for the last 2 financial years (to be submitted every year).
- ❖ Certificate of Registration (for registered trust only).
- ❖ Copy of Trust Deed.
- ❖ List of Trustees certified by Managing Trustees/CA.
- ❖ Photograph, POI, POA, PAN of Trustees.

HUF

- ❖ PAN of HUF.
- ❖ Deed of declaration of HUF/ List of coparceners.
- ❖ Bank pass-book/bank statement in the name of HUF.
- ❖ Photograph, POI, POA, PAN of Karta.

Unincorporated association or a body of individuals

- ❖ Proof of Existence/Constitution document.
- ❖ Resolution of the managing body & Power of Attorney granted to transact business on its behalf.
- ❖ Authorized Signatories list with specimen signatures.

Banks / Institutional Investors

- ❖ Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.
- ❖ Authorized signatories list with specimen signatures.

Foreign Institutional Investors (FII)

- ❖ Copy of SEBI registration certificate.
- ❖ Authorized Signatories list with specimen signatures.

Army / Government Bodies

- ❖ Self-certification on letterhead.
- ❖ Authorized Signatories list with specimen signatures.

Registered Society

- ❖ Copy of Registration Certificate under Societies Registration Act.
- ❖ List of Managing Committee members.
- ❖ Committee resolution for persons authorised to act as authorised signatories with specimen signatures.
- ❖ True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.

TRADING ACCOUNT RELATED DETAILS - FOR INDIVIDUALS & NON-INDIVIDUALS

BANK ACCOUNT(S) DETAILS		
	First Bank Details	Second Bank Details
Bank Name		
Branch		
Address		
Bank A/c No.		
A/c Type	<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others-In case of NRI/NRE/NRO	<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others-In case of NRI/NRE/NRO
MICR No.		
IFSC code		
DEPOSITORY ACCOUNT(S) DETAILS		
	First Demat A/c Details	Second Demat A/c Details
Depository		
Participant Name		
Depository Name	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Beneficiary Name		
DP ID		
Beneficiary ID (BO ID)		
TRADING PREFERENCES		
<i>* Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.</i>		
Exchange	Segment	Signature
National Stock Exchange of India Limited - Cash	<input type="checkbox"/>	
	- F&O <input type="checkbox"/>	
	- Currency Derivatives <input type="checkbox"/>	
	- Mutual Fund <input type="checkbox"/>	
	Service System (MFSS)	
# If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter should be taken from the client by the stock broker.		

PAST ACTIONS									
Details of any action / proceedings initiated / pending / taken by SEBI / Stock exchange / any other authority against the applicant / constituent or its Partners / promoters / whole time directors / authorized persons in charge of dealing in securities during the last 3 years									
DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS									
If client is dealing through the sub-broker, provide the following details									
Sub-broker's Name									
SEBI Regn. Number									
Regd. Off. Address									
Phone		Fax		Website					
Whether dealing with any other stock broker / sub-broker (if case dealing with multiple stock brokers /sub-brokers, provide details of all)									
Name of stock broker									
Name of Sub-Broker, if any									
Client Code				Exchange					
Details of disputes/dues pending from/to such stock broker/sub- broker									
ADDITIONAL DETAILS									
Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify)									
<input type="checkbox"/> PHYSICAL <input type="checkbox"/> ECN, Specify your Email id, if applicable									
Whether you wish to avail of the facility of internet trading / wireless technology (please specify)									
<input type="checkbox"/> YES <input type="checkbox"/> NO									
Number of years of Investment / Trading Experience									
In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of Company/Firm/Others									As per Annexure on Page No. 4
Any other information									
INTRODUCER DETAILS (optional)									
Name of the Introducer									
	(Surname)			(Name)			(Middle Name)		
Status of the Introducer	<input type="checkbox"/> Sub-broker <input type="checkbox"/> Remisier <input type="checkbox"/> Authorized Person <input type="checkbox"/> Existing Client								
	<input type="checkbox"/> Others, please specify								
Address and Phone No. of the Introducer									
Signature of the Introducer									

NOMINATION DETAILS (for individuals only)														
<input type="checkbox"/> I/We wish to nominate <input type="checkbox"/> I/We do not wish to nominate														
Name of the Nominee														
Relationship with the Nominee			PAN of Nominee											
Date of Birth of Nominee (dd/mm/yyyy)					/			/						
Address and Phone No. of the Nominee														
If Nominee is a minor, details of guardian :														
Name of Guardian														
Address and Phone No. of Guardian														
Signature of Guardian														
WITNESSES (Only applicable in case the account holder has made nomination)														
	First Witness Details						Second Witness Details							
Name														
Signature														
Address														

DECLARATION

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

Place : _____






Signature of Client/ (all) Authorized Signatory (ies)

Date (dd/mm/yyyy) :

			/			/			
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FOR OFFICE USE ONLY

UCC Code allotted to the Client : _____

	Documents verified with Originals	Client Interviewed By	In-Person Verification done by
Name of the Employee			
Employee Code			
Designation of the Employee			
Date			
Signature			

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



Signature of the Authorised Signatory

Date (dd/mm/yyyy) :

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Seal/Stamp of the stock broker

INSTRUCTIONS / CHECK LIST

1. Additional documents in case of trading in derivatives segments - illustrative list :

Copy of ITR Acknowledgement	Copy of Annual Accounts
In case of Salary Income - Salary Slip, Copy of Form 16	Net worth certificate
Copy of demat account holding statement	Bank account statement for last 6 months
Any other relevant documents substantiating ownership of assets	Self declaration with relevant supporting documents

**In respect of other clients, documents as per risk management policy of the stock broker need to be provided by the client from time to time.*

2. Copy of cancelled cheque leaf / pass book / bank statement specifying name of the constituent, MICR Code or / and IFSC Code of the bank should be submitted.
3. Demat master or recent holding statement issued by DP bearing name of the client.
4. For individuals :
 - a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker / sub-broker's office.
 - b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.
5. For non-individuals :
 - a. Form need to be initialized by all the authorized signatories.
 - b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of Company / Firm / Others and their specimen signatures.

MANDATORY

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

1. The client shall invest/trade in those securities/contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker, 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 moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued thereunder.

BROKERAGE

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the 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 non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

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

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

TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if 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 non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

LAW AND JURISDICTION

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the 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 whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker.
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers / suspects discrepancies / unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order / trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/ Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

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

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

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

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

1. BASIC RISKS :

- 1.1 Risk of Higher Volatility :** Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in active securities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.
- 1.2 Risk of Lower Liquidity :** Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

- 1.2.1** Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.
- 1.3 Risk of Wider Spreads :** Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.
- 1.4 Risk-reducing orders :** The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.
- 1.4.1** A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.
- 1.4.2** A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.
- 1.4.3** A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the 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 www.nseindia.com and SEBI website www.sebi.gov.in.
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions / guidelines specified by SEBI / Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI / Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment / deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank / demat account such money or securities deposited and from which bank / demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions :
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.

- c) On the date of settlement, the stock broker may retain the requisite securities / funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds / securities / margin to the extent of value of transactions executed on the day of such settlement in the cash market.
- d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds / securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.

14. In case you have not opted for maintaining running account and pay-out of funds / securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.

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

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

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

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

DISPUTES / COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.

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

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERSTANDING AS SET FORTH IN THIS AGREEMENT, THE PARTIES THERETO HAVE AGREED TO THE FOLLOWING TERMS AND CONDITIONS :

1. The stockbroker declares that it has brought the contents of the risk disclosure document to the notice of client and made him / her / it aware of the significance of the said document. The client agrees that;
 - a) He / She / It has read and understood the risks involved in trading on a stock exchange.
 - b) He / She / It shall be wholly responsible for all his investment decisions and trades.
 - c) The failure of the client to understand the risk involved shall not render a contract as void or violable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trade in the segments into which the client chooses to trade.
 - d) He / She / It has been disclosed / informed that the Stock Broker does trade in all segments of trading in the Exchange as 'Proprietary Trade'.

2. Refusal of orders for penny stocks :

"Penny Stocks" as generally understood are those scripts whose market price is less than its face value. As per company policy, the trades done in such stocks will be monitored. The client may be questioned about such trading by the Stock Broker. If found improper or manipulative or creating false or misleading appearance in the securities market, then the Stock Broker may refuse to allow the client from trading in such stocks.

Exchange also gives a list of illiquid securities on monthly basis, which are thinly traded shares of small companies and are infrequently traded. Such monthly lists are available with the dealers. If any client is found to be indulging in trading in such stocks in high volume (as a % to the total market volume), the Stock Broker may require the client to submit adequate clarification. As per its due diligence measures, if found necessary, the Stock Broker may disallow the client from trading in those scripts.

3. Setting up client's exposure limits :

The client agrees to abide by the exposure limits, if any, set by the stockbroker or by the Exchange or Clearing Corporation or SEBI from time to time at the time of entering into the agreement or availability of funds, margins cash or shares provided by the client. The client exposure is set on the basis of the financial soundness and turnover of the client.

In Futures & Options segment, exposure limit of each client is set, based on Margin money given by the client, as per the Exchange Regulations and shall vary from time to time. Certain financial disclosures / information are additionally required from clients who opt for trading in F&O or CD segment and are mandatory.

4. Applicable brokerage rate :

The brokerages Rate applicable to the clients vary from client to client depending on the category of the client i.e. HNI, Institutional, low, medium and high-risk client. At the time of induction of a new client, the financial stability of the client is assessed/measured and the expected volume is also determined and the brokerage is fixed with the mutual consent of the client. However, the brokerage rate charged from the clients does not exceed the maximum brokerage specified by the Exchange. If any mismatch in brokerage rate is found with agreed rate, the same can be brought to our notice.

The client agrees that the Brokerage for penny stock is higher than the normal Brokerage rates and is payable as per mutual understanding and may vary from client to client depending upon volumes and other parameters but would not exceed the maximum Brokerage permissible.

5. Imposition of penalty / delayed payment charges :

In case of delay of payment by the client to the Stock Broker on its due date, the Stock Broker may levy penalty in respect of such delayed payment though the same is not charged presently. The penalty charges on delayed payment on over due amount from the client would be @ 0.05% on daily basis. Delay Payment charges is only a penal measures. The client should not construe it is as funding arrangement. The Client cannot demand continuation of service on a permanent basis citing levy of delayed payment charges. The client will not be entitled to any interest on the credit balance / surplus margin available / kept with the Stock Broker.

6. The right to sell clients' securities or close clients' position, without giving notice to the clients, on account of non-payments of clients' dues :

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

Principally, company follows the practice of giving reasonable opportunity to the client to meet its obligation failing which the client position is squared off. However, the stock broker takes due consideration of long term association and the assurance of the client considering its ability to pay in due course.

7. Shortages in obligations arising out of internal netting of trades :

The client agrees that in case of shortages in obligations arising out of internal netting of trades, short shares are bought in the market and are transferred to the client who had not received the shares in pay out. The account of the client who has failed to deliver shares shall be debited for such market purchase and shall be payable by him / her / it.

8. Condition under which a client may not be allowed to take further position or the broker may close the existing position of a client :

The Client agrees that he / she / it may not be allowed to take further position, under the following situations:-

- (i) The client has a due / debit and or continuous debit balance – Such client is allowed to close out his / her / its open position but is not allowed to take any new position by the Stock Broker at its sole discretion.
- (ii) The client had defaulted in meeting cash or securities obligation leading to compulsory close out of the position by the Stock Broker.
- (iii) The client may not be allowed to take exposure in that particular script in which the broker's limit has come to an end or where the exchange is not allowing any further position in that script.

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

- (i) The account of client may be temporarily suspended on writing request from the client and can only be reactivate after receiving a written request from the client along with such documentary evidence as may be specified by the stock broker from time to time.
- (ii) In case, a client gives a request in writing for closing his / her / its account, then the account of the Client shall be settled and the trading code shall be closed in the front and back office of the Broker. However if the client is through a registered sub broker, the sub broker shall also be informed and he / she / it has to give his consent for closing the same. In future if the client seeks to re-open his account with the Stock Broker, he / it / she shall be required to submit a new KYC form and execute necessary documents as if a new account is being opened.

- (iii) The Client further agrees that, due to non-payment of the dues of the Stock Broker, or against an order of SEBI / NSE against the client, or non-submission of information or documents as are mandatory or relevant, the account of the Client may be temporarily suspended.
- (iv) If the client is tagged as a Dormant/ Inactivate Client, then the funds / securities lying with the Ontrust may be refunded / returned to the clients at his / her / its last known bank account / DP account or sent at last known address of the clients as per Stock Broker records.

10. Deregistering a client :

The client agrees that he / she / it shall be de-registered if he / she / it is suspended from trading by any Regulatory authority or in case of failure of the client to meet his / her / its obligations to the Stock Broker / or on account of breach of terms and conditions of the agreement, the trading account of the client shall be closed after effecting full and final settlement of the accounts and securities of the client, if any.

11. Inactive accounts :

The account of a client who do not trade and remain inactive for eight consecutive calendar quarters reckoned from the end of the calendar quarters in which the client has traded shall be declared “inactive account” and will be temporarily suspended.

The Member reserves the right to ask for any documents in support of current address, bank account, demat account, financial status, etc before reactivating such inactive accounts.

Client acceptance of policies and procedures stated herein above :

I/we have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/ clauses of this document under any circumstance what so ever. These policy and procedures may be amended / changed by the broker, provided the change is informed to me/us through anyone or more means or methods such as post/ courier / email etc.



Signature of the Client

TARIFF SHEET

BROKERAGE

	%	Min. Paisa	Min. Per Lot
1. Capital Market Segment			
Square up Brokerage			Not Applicable
Delivery Brokerage			Not Applicable
2. Futures & Options Segment			
Brokerage in Futures			
Brokerage in Options			
3. Currency Derivatives Segment			
Brokerage in Futures			
Brokerage in Options			
4. Mutual Fund Service System Segment			
Square up Brokerage			
Delivery Brokerage			

(Other charges like STT, Service Tax, Stamp & SEBI Charges, Transaction Charges & Other Charges, if any, shall be levied as per the stipulation of the concerned authorities.)



Signature of the Client

AUTHORITY LETTER FOR RUNNING ACCOUNT OF FUNDS AND SECURITIES

Date : _____

To
Ontrust Capital Markets Private Limited
404, Sikkim Commerce House
4/1, Middleton Street
Kolkata - 700 071

Dear Sir,

1. With reference to my / our trading account opened with you, I / we request you to maintain a running account for funds and securities on my / our behalf without settling the account on settlement of each transaction. I / We further request you to retain all amounts and securities receivable by me / us until specifically requested by me / us to be settled within one working day of request, if the same is lying with **Ontrust Capital Markets Private Limited** & within 3 working days from the request if the same is lying with Clearing Member / Clearing Corporation.
2. I / we understand and agree that no interest will be payable to me / us on the funds or securities so retained with you.
3. I / we may be trading in derivatives segment & cash segment of various Exchanges and hence have various accounts with you. In this regard I / we hereby authorize **Ontrust Capital Markets Private Limited** to act at its discretion of adjusting any credit balance under my / our various accounts against the debit in any account across segments / Exchange, without taking any further instruction from me / us.
4. I / we also confirm that the securities lying in my withhold A/c should be considered as margin deposit / collateral.
5. I / we authorize you to set off a part or whole of the margin deposited by me / us against any of my / our dues, by appropriating relevant amount of fund or by sale of securities which form part of margin.
6. I / we hereby authorize you to pledge my / our securities deposited as margin or withheld by you as permitted in the running account and to deposit my / our funds deposited as margin to Exchanges / Clearing Corporations towards margin.
7. I / we agree that this authority shall be valid, until it is revoked by me / us at any time by giving a written notice to **Ontrust Capital Markets Private Limited**.
8. I / we also agree that the actual settlement of fund and securities shall be done by us, at least once in a calendar quarter or month and the statement of account for the same will be provided to me by **Ontrust Capital Markets Private Limited**.

PREFERENCE OF CLIENT FOR SETTLEMENT OF RUNNING ACCOUNT (FUNDS & SECURITIES)

Settlement Preferences	<input type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly
------------------------	----------------------------------	------------------------------------

9. I / we agree that fund given towards collaterals / margins in form of bank guarantee (BG) / Fixed Deposit Receipts (FDR) may not be periodically settled.
10. I / we agree that (a) in respect of derivatives market transactions, the Trading Member may retain the requisite securities / funds on settlement date to take care of any margin obligation arising in next 5 days, calculated in the manner specified by the Exchange, and (b) in respect of cash market transactions, the Trading Member may retain entire pay-in obligation of funds & securities due from me / us as on the date of settlement and for next day's business, the Trading Member may retain funds / securities / margin to the extent of value of transactions executed on the day of such settlement.
11. I / we agree / understand that there shall be no inter-client adjustment for the purpose of settlement of the running account.
12. I / we shall bring any dispute arising from the statement of account or settlement so made to the notice of the Trading Member preferably within 7 working days from the date of receipt of funds / securities or statement as the case may be.

Thanking you,

Yours truly,

 _____
Signature of the Client

VOLUNTARY

Dated : _____



To
Ontrust Capital Markets Private Limited
404, Sikkim Commerce House
4/1, Middleton Street
Kolkata - 700 071

Sir,

Re : Electronic Communication

This has reference to the facility of receiving contract notes and other documents in Electronic form issued by you in compliance with regulations and guidelines issued by SEBI and Stock Exchanges. I / We understand that Electronic Contract Notes (ECN) are valid legal contract notes as per Stock Exchange / SEBI Rules and recognized under Income Tax Act, as well as other Acts in India.

Therefore, the ECN shall be an accepted form of Contract Note to me / us and should be mailed to the following Email ID(s) :

E-mail Id (a) _____	 _____
(Primary - compulsory)	Signature of Client
(b) _____	 _____
(Alternate - optional)	Signature of Client


I / We wish to inform you that I / We would like to avail of this facility. In this regard we state the following :

1. This is to further confirm that it will be my / our responsibility that my / our Email ID is active and mail box is not full and the non-receipt of the bounced mail notification at your end shall amount to delivery of the ECN at my / our Email ID.
2. I / we undertake to check the ECNs and discrepancy if any shall be brought to your notice within 24 hours of the issuance of contract notes.
3. You are authorized to send me / us account statement / other documents / other notices / correspondence periodically through the same channel.
4. I / we undertake that any change in my / our Email ID shall be communicated to you in writing through a physical letter.

Kindly take the above into your record and oblige.

Thanking you,

Yours truly,

 _____
Signature of Client

Name : _____



CONSENT LETTER FOR EMAIL AND MOBILE ALERT FACILITIES

Dated : _____

To
Ontrust Capital Markets Private Limited
404, Sikkim Commerce House
4/1, Middleton Street
Kolkata - 700 071

Sir,


This is with reference to my/our trading account opened with you; I/we request you arrange facility of receiving email and/or mobile alert facility issued by Exchange in compliance with regulation and guidelines issued by concern authorities from time to time.

Email Facility	Service Required - YES <input type="checkbox"/> NO <input type="checkbox"/>
Email ID	
Owned by - Name	
- PAN Number*	
Relationship with Client	
Signature of the Client	
SMS Facility	Service Required - YES <input type="checkbox"/> NO <input type="checkbox"/>
Mobile Number	
Owned by - Name	
- PAN Number*	
Relationship with Client	
Signature of the Client	

* Please specify the Name and PAN detail in case email id and/or Mobile Number is other than that of the client.

In this regards we state the following :

1. This is to further confirm that it will be my/our responsibility that my/our Email ID and/or Mobile Number are active and the relevant Inbox is not full. Further, the trading member will not be held liable for the mails and / or SMS alert not received.
2. I/we undertake that any change in my/our Email ID and/or Mobile Number shall be communicated to you in writing through a physical letter.
3. I/we agree that this authority shall be valid, until it is revoked by me/us at any time by giving a written notice to **Ontrust Capital Markets Private Limited**.



Signature of Client
VOLUNTARY

Voluntary information provided by the client in relation to the Prevention of Money Laundering Act, 2002

Name of the Client : _____

If Business / Profession : Nature of business : _____

Industry : _____

Details of my / our Relatives, having account with **Ontrust Capital Markets Private Limited** :

Name	Relationship	UCC (Client Code)
1.		
2.		
3.		
4.		

Details of the Corporate / Partnership Firm / Trust etc. where I/We am/are affiliated

Name	Entity Type	Nature of Business	Relationship	UCC (Client Code)
1.				
2.				
3.				
4.				

I / we hereby submit and agree to submit every year following documents to **Ontrust Capital Markets Private Limited**, before the due date as prescribed by **Ontrust Capital Markets Private Limited** :

1. Profit and Loss Account & Capital Account
2. Balance Sheet
3. Self attested copy of Income Tax Return (If return not available, I / we will furnish Form 16)
4. Copy of Form 16 in case of Salary Income
5. Any other document providing financial details of the client

I / we confirm that I / we will immediately inform **Ontrust Capital Markets Private Limited** in case I / we am / are convicted under any grounds or any action is taken against me/us by any authority(ies).

I / we intend to invest in the stock market with : ☐ Own Funds ☐ Borrowed Funds

(If Borrowed Funds, then please specify below Sources of funds :)

Sources of Borrowed Funds (if any)	Amount (₹)

(Certificated / Opinion Report from the Banker / Financial Institution confirming that there has been no default in the client's account is to be attached, which I / we agree to attach herewith.)

I / we hereby declare that I / we am/are beneficial owner of the Trading / On-line account opened with **Ontrust Capital Markets Private Limited**, and that I / we am / are investing my / our own funds with **Ontrust Capital Markets Private Limited**.



Client Signature

Client's Name

For Office use only :

Risk categorisation of client as per PMLA, 2002 : ☐ High Risk ☐ Medium Risk ☐ Low Risk

Verified by : _____

Authorised & Approved by : _____

VOLUNTARY

DECLARATION

Dated : _____

To
Ontrust Capital Markets Private Limited
404, Sikkim Commerce House
4/1, Middleton Street
Kolkata - 700 071

Sir,

Ref : Client Code No. : _____

I/ We hereby declare that :

- 1) I/We agree and acknowledge that it is advised and preferred that I/We give instructions for order placement/ modification and cancellation in writing to avoid disputes. However, as the fluctuations in market are so rapid it is not practical to give written instructions for order placement/ modification and cancellation, hence I/We hereby authorize you to accept my / our authorised representative's verbal instructions for order placement/ modification and cancellation in person or over phone (fixed line or mobile phone) and execute the same. I/We shall not be entitled to disown orders and consequent trades (if any) under the plea that same were not under mine/our instructions.
- 2) Page No. 1 to Page No. 26 are mandatory in nature and I/ we have duly read and understand the details mentioned in the pages and signed as and where required.
- 3) Page No. 27 to Page No. 31 are non-mandatory in nature and the signature to theses pages are optional at my/ our discretion. I/ We have read and understood the clauses contained in theses pages and I /we have signed only those pages which I/ we have thought appropriate to sign.

Thanking you,

Yours truly,



Signature of Client

Name : _____

ANTI-MONEY LAUNDERING (AML) – COMBATING FINANCING OF TERRORISM (CFT)

WHAT YOU MUST KNOW – FAQs

Help us in preventing money laundering / terrorist financing.....Your assistance really matters us.

Ever wondered why the Broker is asking you certain personal information which has hitherto never been called for? Such information can include documents evidencing source of funds/ income tax returns/ bank records etc. By providing this information to the Broker, at the time of account opening and subsequently as and when required, you are actually assisting the efforts in prevention of money laundering / terrorist financing. Here are the details, presented in the form of frequently asked questions (FAQs) to let you know how.

What is Money Laundering?

Money Laundering is the process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction and confiscation of the criminal funds. The term Money Laundering is also used when the funds are used for terrorist financing, though the origin of the funds may be legitimate.

Money-laundering has acquired a global character that not only threatens security, but also compromises the stability, transparency, and efficiency of financial systems. Money-laundering techniques are becoming more sophisticated and complex with each passing day.

The objective of AML & CFT Program is to prevent financial intermediaries from being used as a tool for the purpose of Money laundering & terrorist financing and to preserve the integrity of the Financial system.

In response to mounting concern over money laundering, the Financial Action Task Force on money laundering (FATF) was established by the G-7 Summit in Paris in 1989 to develop a co-ordinated international response. One of the first tasks of the FATF was to develop Recommendations, 40 in all, which set out the measures national governments should take to implement effective anti-money laundering programmes.

How much money is laundered per year?

The IMF has stated in 1996 that the aggregate size of money laundering in the world could be somewhere between two and five percent of the world's gross domestic product.

Using 1996 statistics, these percentages would indicate that money laundering ranged between USD 590 billion and USD 1.5 trillion. However it must be said that overall it is absolutely impossible to produce a reliable estimate of the amount of money laundered and therefore the FATF does not publish any figures in this regard.

How is money laundered?

In the initial - or placement - stage of money laundering, the launderer introduces his illegal profits into the financial system. This might be done by breaking up large amounts of cash into less conspicuous smaller sums that are then deposited directly into a bank account, or by purchasing a series of monetary instruments (cheques, money orders, etc.) that are then collected and deposited into accounts at another location.

After the funds have entered the financial system, the second – or layering – stage takes place. In this phase, the launderer engages in a series of conversions or movements of the funds to distance them from their source. The funds might be channelled through the purchase and sales of investment instruments, or the launderer might simply wire the funds through a series of accounts at various banks across the globe. This use of widely scattered accounts for laundering is especially prevalent in those jurisdictions that do not co-operate in anti-money laundering investigations. In some instances, the launderer might disguise the transfers as payments for goods or services, thus giving them a legitimate appearance.

Having successfully processed his criminal profits through the first two phases the launderer then moves them to the third stage – integration – in which the funds re-enter the legitimate economy. The launderer might choose to invest the funds into real estate, luxury assets, or business ventures.

Where does money laundering occur?

Money laundering can occur practically anywhere in the world. Generally, money launderers tend to seek out countries or sectors in which there is a low risk of detection due to weak or ineffective anti-money laundering programmes.

How does money laundering affect business, economic development & society at large?

Money laundering damages the integrity of the financial institution, entire society and undermines democracy and the rule of the law as it rewards corruption and crime.

There is a damping effect on foreign direct investment when a country's commercial and financial sectors are perceived to be subject to the control and influence of organised crime. Fighting money laundering and terrorist financing is therefore a part of creating a business friendly environment which is a precondition for lasting economic development.

The possible social and political costs of money laundering, if left unchecked or dealt with ineffectively, are serious. Organised crime can infiltrate financial institutions, acquire control of large sectors of the economy through investment, or offer bribes to public officials and indeed governments.

The economic and political influence of criminal organisations can weaken the social fabric, collective ethical standards, and ultimately the democratic institutions of society.

How does fighting money laundering help fight crime?

Targeting the money laundering aspect of criminal activity and depriving the criminal of his ill-gotten gains means hitting him where he is vulnerable. Without a usable profit, the criminal activity will not continue.

What should individual governments be doing about it?

A great deal can be done to fight money laundering, and, indeed, many governments have already established comprehensive anti-money laundering regimes. These regimes aim to increase awareness of the phenomenon – both within the government and the private business sector – and then to provide the necessary legal or regulatory tools to the authorities charged with combating the problem.

Some of these tools include making the act of money laundering a crime; giving investigative agencies the authority to trace, seize and ultimately confiscate criminally derived assets; and building the necessary framework for permitting the agencies involved to exchange information among themselves and with counterparts in other countries.

What are Local regulations on AML/CFT?

- a) Prevention of Money Laundering Act, 2002 (PMLA) came in to force with effect from July 01, 2005 read with the prevention of Money Laundering (Amendment) Act, 2009.
- b) SEBI Guidelines on PMLA vide circular issued in January 2006 followed by latest Master circular issued in February 2010.
- c) Exchanges have also issued Guidelines on PMLA to be followed by all registered intermediary.

How is Money Laundering defined under PMLA 2002?

Section 3 of the Prevention of Money Laundering Act (PMLA) 2002 defines the “Offence of Money Laundering” as:

“Whoever directly or indirectly attempts to indulge or knowingly assists or knowingly is party or is actually involved in any process or activity connected with the **proceeds of crime** and projecting it as untainted property shall be guilty of the offence of money laundering.”

“**Proceeds of crime**” has been defined in Section 2 of the PMLA as the property derived or obtained directly or indirectly by any person, as a result of criminal activity relating to a scheduled offence or the value of such property.

“**Scheduled Offences**”, as per section 2 of PMLA, are specified in two parts of the schedule to PMLA. The value involved in offences specified in Part B should be Rs.30 lakhs or more.

Why KYC/AML Policy for Market Intermediary?

SEBI has instructed all Market Intermediary to adopt a KYC/AML Policy

- a) To prevent criminal elements from using the Capital Market for money laundering activities
- b) To enable the Broker to know/understand the customers and their financial dealings better, which in turn would help the Broker to manage risks prudently.
- c) To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
- d) To comply with applicable laws and regulatory guidelines.
- e) To take necessary steps to ensure that the concerned staff is adequately trained in KYC/AML procedures.

What are the obligations of Market Intermediary under PMLA 2002?

Section 12 of PML Act 2002, places certain obligations on every banking company, financial institution and market intermediary, which include:

- a) Maintaining a record of prescribed transactions.
- b) Furnishing information of prescribed transactions to the specified authority (Financial Intelligence Unit-India (FIU-IND)).
- c) Verifying and maintaining records of the identity of its clients.
- d) Preserving records in respect of a,b,c above, for a period of 10 years from the date of cessation of transactions with the clients.

What is Financial Intelligence Unit-India (FIU-IND)?

FIU-IND is a central, national agency, set up by Government of India on 18th November, 2004, responsible for receiving (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information (i) Concerning suspected proceeds of crime and potential financing of terrorism, or (ii) Required by national legislation or regulation, in order to combat money laundering and terrorist financing.

What are the transactions to be reported by Market Intermediary to FIU-IND?

- a) All cash transactions of the value of more than Rs.10 lakhs or its equivalent in foreign currency.
- b) All series of cash transactions integrally connected to each other, which have been valued below Rs.10 lakhs or its equivalent in foreign currency (excluding individual transactions below Rs.50,000/- in the reporting) where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds Rs.10 lakhs.
- c) Counterfeit currency transactions.
- d) Suspicious transactions.

What are suspicious transactions?

Rule 2(1)(g) of PMLA-2002 defines suspicious transactions as:

A transaction whether or not made in cash which, to a person acting in good faith-

- (a) gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- (b) appears to be made in circumstances of unusual or unjustified complexity; or
- (c) appears to have no economic rationale or bonafide purpose; or
- (d) gives rise to a reasonable ground of suspicion that it may involve financing of activities relating to terrorism.

POLICY/DECLARATION ON AML/CFL

Sl.No.	AML Measures	Particulars
1	AML Policy	We have in place written policy & procedure as per guidelines issued by SEBI/Exchange
2	Know Your Customer (KYC)	We have in place system for identification of our clients including KYC documentation.
3	Maintenance of Records	We update the client profile on a regular basis.
4	Screening against negative lists	We have in place record maintenance and retention procedures as prescribed. We screen the client database to ensure that it is not held by or linked to anyone included in the specified list.
5	Risk Assessment	We have in place system to place clients into high, medium & low risk category and apply enhanced due diligence for clients that pose a higher risk.
6	Clients of Special Category	We have in place policy to place clients of special category such as persons <input type="checkbox"/> with political link, <input type="checkbox"/> non -residents, <input type="checkbox"/> Trusts, <input type="checkbox"/> NGOs, <input type="checkbox"/> Closely held Companies etc. in high risk category. <input type="checkbox"/> Other Pl. specify _____
7	Monitoring, Identification & Reporting of Suspicious Transactions	We have in place, systems and procedures for monitoring, detection and reporting of suspicious transactions to the relevant authorities.
8	Audit	We are subject to inspection by SEBI/Exchange. Additionally we are periodically audited by an independent internal auditor that assesses AML policies and procedures too.

Dated : _____

From :

To
Ontrust Capital Markets Private Limited
404, Sikkim Commerce House
4/1, Middleton Street
Kolkata - 700 071

Ref. : Acknowledgement for the receipt of documents

Dear Sir,

This is to acknowledge the receipt of a copy of the duly executed following documents viz.,

1. Copy of KYC Form
2. Copy of Rights and Obligations of stock broker / sub-broker and client
3. Copy of Risk Disclosure Document
4. Copy of Guidance Note
5. Copy of Policies & Procedures
6. Copy of Tariff / Brokerage Charge Sheet
7. A copy of any other document executed by me as a client

I/we hereby declare that I/we have the full intimation of the unique client code allotted to me/us and the email id for the purpose of receiving electronic contract notes and other details in case provided by me/us, has been confirmed by **Ontrust Capital Markets Private Limited** through their KYC.

Thanking you,

Yours truly,

 _____

Signature of the Client

Client Code _____



Ontrust Capital Markets Private Limited

Members : National Stock Exchange of India Ltd.

Regd. Office : 403, Vardaan, 25-A, Camac Street, Kolkata - 700 016

Dealing Office : 404, Sikkim Commerce House, 4/1, Middleton Street, Kolkata - 700 071

Phone : 4006-0460 to 0465, Fax : (033) 4006-0466

E.mail : trades@ontrustcap.com