



Goldmine Stocks Pvt Ltd

Client Copy

Documents Contains:-

- ❖ Rights and Obligations of Stock Broker & Client
- ❖ Rights and Obligations of Depository Participant & Client
- ❖ Risk Disclosure Document
- ❖ Guidance Note- Do's and Don'ts
- ❖ Document Provide a brief note on Prevention of Money Laundering
- ❖ Policies and Procedures (Equity & Commodity)
- ❖ Investor Charter (Stockbroker & Depository Participant)

Registered office	Unit No.1110-1111, 11th Floor, Block.53-E, Dalal Street Building (BSE TOWER),Road 5E, Zone-5, Gift City,Gandhinagar - 382355		
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Contact Details	+91 79 26641080	Fax: +91 26607298	
Website	www.goldmine.co.in		

Member	The National Stock Exchange of India Ltd (NSE)		
	The Bombay Stock Exchange Ltd (BSE)		
	Multi Commodity Exchange of India Limited (MCX)		

TRADING MEMBER			
Membership Code	NSE	BSE	MCX
	08846	3020	12760
SEBI Registration No.	INZ000182938		

**RIGHTS AND OBLIGATIONS OF MEMBERS,
AUTHORISED PERSONS AND CLIENTS**

as prescribed by SEBI, Stock Exchanges, and Commodity Exchanges

1. The client shall invest/trade in those securities/commodities /contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities/commodities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The member, authorised person and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the member to deal in securities/commodities and/or deal in derivatives contracts and wishes to execute its orders through the member and the client shall from time to time continue to satisfy itself of such capability of the member before executing orders through the member.
4. The member 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 member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the member acts.
6. Requirements of professional diligence
 - a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.
 - b. "professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with-
 - i. honest market practice;
 - ii. the principle of good faith;
 - iii. level of knowledge, experience and expertise of the Client;
 - iv. the nature and degree of risk embodied in the financial product* or financial service being availed by the Client; and
 - v. the extent of dependence of the Client on the Member.
- *Commodity derivative contract
7. The authorised person shall provide necessary assistance and co-operate with the member in all its dealings with the client(s).

CLIENT INFORMATION

8. The client shall furnish all such details in full as are required by the member in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the member shall be non-mandatory, as per terms & conditions accepted by the client.
10. The client shall immediately notify the member 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 member on a periodic basis.

11. A. Protection from unfair terms in financial contracts**

- a. An unfair term of a non-negotiated contract will be void.
- b. A term is unfair if it –
 - i. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
 - ii. is not reasonably necessary to protect the legitimate interests of the Member.
- c. The factors to be taken into account while determining whether a term is unfair, include –
 - i. the nature of the financial product or financial service dealt with under the financial contract;
 - ii. the extent of transparency of the term;

**contracts offered by commodity exchanges

- iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and

- iv. the financial contract as a whole and the terms of any other contract on which it is dependent.

- d. A term is transparent if it –

- i. is expressed in reasonably plain language that is likely to be understood by the Client;

- ii. is legible and presented clearly; and

- iii. is readily available to the Client affected by the term.

e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

11.B

a. “Non-negotiated contract” means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes –

- i. a financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and

- ii. a standard form contract.

b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.

c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a non-negotiated contract if so indicated by –

- i. an overall and substantial assessment of the financial contract; and

- ii. the substantial circumstances surrounding the financial contract

d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

11. C.

a. The above does not apply to a term of a financial contract if it –

- i. defines the subject matter of the financial contract;

- ii. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or

- iii. is required, or expressly permitted, under any law or regulations.

b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non- occurrence of any particular event.

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

13.A Protection of personal information and confidentiality

- a. "Personal information" means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes –
- i. name and contact information;
 - ii. Biometric information, in case of individuals
 - iii. Information relating to transactions in, or holdings of, financial products
 - iv. Information relating to the use of financial services; or
 - v. such other information as may be specified.

12.B

- a. A Member must –
- b.
 - i. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;
 - ii. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;
 - iii. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;
 - iv. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and
 - v. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.
- c. A Member may disclose personal information relating to a Client to a third party only if –
 - i. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;
 - ii. the Client has directed the disclosure to be made;
 - iii. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
 - iv. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
 - v. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member –
 - 1. Informs the Client in advance that the personal information may be shared with a third party; and
 - 2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or
 - vi. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.-

c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

14. A. Requirement of fair disclosure both initially and on continuing basis

- a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.

b. In order to constitute fair disclosure, the information must be provided –

- i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;
- ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
- iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.

c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –

- i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
- ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
- iii. existence, exclusion or effect of any term in the financial product or financial contract;
- iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
- v. contact details of the Member and the methods of communication to be used between the Member and the Client;
- vi. rights of the Client to rescind a financial contract within a specified period; or
- vii. rights of the Client under any law or regulations.

14. B.

a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures –

- i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;
- ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
- iii. any other information that may be specified.

b. A continuing disclosure must be made –

- i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
- ii. in writing and in a manner that is likely to be understood by a Client belonging to that category.

MARGINS

- 15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the member 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 member 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.
- 16. 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

17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

18. The Member 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 commodity exchange where the trade is executed.

19. The Member shall ensure that the money 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 Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.

20. 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, Member shall be entitled to cancel the respective contract(s) with client(s).

21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules 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 Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars/notices issued thereunder.

BROKERAGE

22. The Client shall pay to the member 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 member renders to the Client. The member 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

22. Without prejudice to the member's other rights (including the right to refer a matter to arbitration), the client understands that the member 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.

23. 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/commodities which the client has ordered to be bought or sold, member 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/commodities in favor of a Nominee shall be valid discharge by the member against the legal heir.

24. The member 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 member to the relevant Exchange(s).

DISPUTE RESOLUTION

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.

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

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

28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients

a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.

b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –

i. the Client's right to seek redress for any complaints; and

ii. the processes followed by the Member to receive and redress complaints from its Clients.

29. A. Suitability of advice for the Client

Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.

a. A Member must –

i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and

ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.

b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.

c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –

i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and

ii. may provide the financial product or financial service requested by the Client only after complying with point 29.A.a and obtaining a written acknowledgement from the Client.

30. Dealing with conflict of interest

In case of any conflict between the interests of a Client and that of the Member, preference must be given to the Client interests.

a. A member must –

i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and

ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between –

1. its own interests and the interests of the Client; or

2. the interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.

- b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.
- c. In this section, “conflicted remuneration” means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

TERMINATION OF RELATIONSHIP

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.
32. The Member, Authorized Person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
33. In the event of demise/insolvency of the Authorized Person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the Authorized Person by the commodity exchange and/or termination of the agreement with the Authorized Person by the Member, 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 Member and all clauses in the ‘Rights and Obligations’ document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

35. The member 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/commodities.
36. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
36. The Member shall issue a contract note to his clients 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 Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.
37. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on 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.
38. The Member shall send a complete ‘Statement of Accounts’ for both funds and commodities 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 Member.

39. The Member shall send margin statements to the clients on daily basis. 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, warehouse receipts, securities/commodities etc.

40. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member 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.

41. In case, where a member surrenders his/ her/ its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.

42. A. Protection from unfair conduct which includes misleading conduct & abusive conduct

a. Unfair conduct in relation to financial products or financial services is prohibited.

b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes –

- i. misleading conduct under point 41.B
- ii. abusive conduct under point 41.C
- iii. such other conduct as may be specified.

42. B.

a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves –

i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or

ii. providing accurate information to the Client in a manner that is deceptive.

b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" –

- i. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;
- ii. the Client's need for a particular financial product or financial service or its suitability for the Client;
- iii. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
- iv. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
- v. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;

and

vi. the rights of the Client under any law or regulations.

42. C.

a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –

- i. involves the use of coercion or undue influence; and
- ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.

b. In determining whether a conduct uses coercion or undue influence, the following must be considered –

- i. the timing, location, nature or persistence of the conduct;
- ii. the use of threatening or abusive language or behavior;

- iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
- iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including –
- v. the right to terminate the financial contract;
- vi. the right to switch to another financial product or another Member and
- vii. a threat to take any action, depending on the circumstances in which the threat is made.

ELECTRONIC CONTRACT NOTES (ECN)

43. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member (Kindly refer Appendix A of Annexure 3). Member shall ensure that all the rules/Business Rule/Bye-Laws/ circulars issued from time to time in this regard are complied with. The client shall communicate to the Member 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.

44. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable 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.

45. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.

46. The Member 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/circulars/guidelines issued by SEBI/Commodity 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 Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/Commodity 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 Member 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 rules/circulars/guidelines issued by SEBI/Commodity exchanges.

47. The Member 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 Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI/commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.

48. In addition to the e-mail communication of the ECNs to the client, the Member 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.

49. The Electronic Contract Note (ECN) declaration form obtained from the Client who opts to receive the contract note in electronic form. This declaration will remain valid till it is revoked by the client.

LAW AND JURISDICTION

50. In addition to the specific rights set out in this document, the Member, Member and the client shall be entitled to exercise any other rights which the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.

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

52. The Member 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, if either party is not satisfied with the arbitration award.

53. 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/Business Rules and circulars/notices issued thereunder of the Exchanges/SEBI.

54. All additional voluntary/non-mandatory clauses/document added by the Member should not be in contravention with Rules/ Business Rules/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.

55. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity 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.

56. Members are required to send account statement to their clients every month

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS 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. Member 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 member 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 Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.

3. The member 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 member.

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

5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the Member'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 member

6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member'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 member 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 member 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 Member and the Exchange do not make any representation or warranty that the Member'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 Member on account of any suspension, interruption, non-availability or malfunctioning of the Member'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/Members/Exchange end for any reason beyond the control of the member/Exchange.

Rights and Obligations of Beneficial Owner and Depository Participant as Prescribed by SEBI and Depositories

General Clause

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

2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner Information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.

4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees / Charges / Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the

Beneficial Owner that “no charges are payable for opening of demat accounts”.

6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars / directions / notifications issued from time to time.

7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

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

Separate Accounts

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

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

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on

the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

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

Statement of account

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

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

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

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

Manner of Closure of Demat account

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given

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

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

Default in payment of charges

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

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

Liability of the Depository

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

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

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

Freezing / Defreezing of accounts

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

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

Redressal of Investor grievance

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

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

Law and Jurisdiction

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have

under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars / notices issued there under or Rules and Regulations of SEBI.

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

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

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

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

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

"I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Annexure–2

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET, DERIVATIVES AND COMMODITY DERIVATIVES SEGMENTS

The Exchange does not expressly or impliedly, guarantees nor makes any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has the Exchange endorsed or passed any merits of participating in the Commodity Derivatives /trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study derivatives trading carefully before becoming involved in it.

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

You must know and appreciate that investment in commodity futures contracts/ derivatives or other instruments traded on the Commodity Exchange(s), 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 the Exchange and suffer adverse consequences or loss, you shall be solely responsible for the same and the Exchange shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take the plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The Client 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 commodity derivatives being traded on the Exchange.

It must be clearly understood by you that your dealings on the Exchange through a member shall be subject to your fulfilling certain formalities set out by the member, which may, *inter alia*, include your filing the know your client form and are subject to Rules, Byelaws and Business Rules of the Exchange guidelines prescribed by SEBI from time to time and circulars as may be issued by the Exchange from time to time.

The Exchange 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 member of the Exchange and/ or third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment 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, you should be aware of or must get acquainted with the following:-

1. Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

i. Risk of Higher Volatility

Volatility refers to the dynamic changes in price that commodity derivative contracts undergo when trading activity continues on the Commodity Exchange. Generally, higher the volatility of a commodity derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded commodity derivatives contracts than in actively traded commodities/ 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 real losses.

ii. Risk of Lower Liquidity

- a. Liquidity refers to the ability of market participants to buy and/ or sell commodity derivative contract expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the number 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 commodity derivatives contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for commodity derivative contracts purchased or sold. There may be a risk of lower liquidity in some commodity derivative contracts as compared to active commodity derivative 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.
- b. Buying/ Selling without intention of giving and/ or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative contracts may have to be squared-off at a low/ high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such commodities.

iii. Risk of Wider Spreads

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

iv. Risk-reducing orders

- a. Most of the Exchanges have a facility for investors to place “limit

orders", "stop loss orders" etc. Placing of such 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.

b.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 commodity derivatives contract.

- c. A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the client received price protection, there is a possibility that the order may not be executed at all.
- d. A stop loss order is generally placed "away" from the current price of a commodity derivatives contract, and such order gets activated if and when the 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 contract approaches 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 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.

v. Risk of News Announcements

- a. Traders/Manufacturers make news announcements that may impact the price of the commodities and/or commodity derivatives contracts. These announcements 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 commodity/ commodity derivatives contract.

vi. Risk of Rumours

- a. Rumours about the price of a commodity at times float in the market through word of mouth, newspaper, websites or news agencies, etc., the investors should be wary of and should desist from acting on rumours.

vii. System Risk

- a. 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.

- b. 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 execution of order and its confirmation.
- c. 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 commodity due to any action on account of unusual trading activity or price hitting circuit filters or for any other reason.

viii. System/ Network Congestion

- a. Trading on the Exchange is in electronic mode, based on satellite/ leased line 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 the control of 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 Futures Commodity Derivatives are concerned, please note and get yourself acquainted with the following additional features:-

2.1 Effect of "Leverage" or "Gearing":

- a. The amount of margin is small relative to the value of the commodity derivatives contract so the transactions are 'leveraged' or 'geared'. Commodity Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in commodity derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in commodity derivatives contracts and also trade with caution while taking into account one's circumstances, financial resources, etc.
- b. Trading in Futures Commodity Derivatives involves daily settlement of all positions. Every day the open positions are marked to market based on the closing price. If the closing price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.
- c. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Member of the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/ Close Outs.

- d. Under certain market conditions, an Investor may find it difficult or impossible to execute the 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.
- e. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- f. You must ask your Member of the Exchange to provide the full details of the commodity 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 e.g. 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 OR ANY OTHER TECHNOLOGY:

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology or any other technology should be brought to the notice of the client by the member.

4. General

i. Deposited cash and property:

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.

ii. Commission and other charges:

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

iii. For rights and obligations of the Members/Authorised Persons/ clients, please refer to *Annexure 3*

iv. The term 'Constituent' shall mean and include a Client, a Customer or an Investor, who deals with a member for the purpose of trading in the commodity derivatives through the mechanism provided by the Exchange.

v. The term 'member' shall mean and include a Trading Member or a Member/Broker, who has been admitted as such by the Exchange and got 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

Do's

1. Trade only through Registered Members of the Exchange. Check from the Exchange website www.exchange.com and SEBI website www.sebi.gov.in
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website www.exchange.com. The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are pre-printed and your account number (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
19. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand and comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by SEBI/Commodity exchanges.
23. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank/ demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/ demat account.
24. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of pay-out from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be 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) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.

c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of pay-out from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.

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

25. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives or the member becomes insolvent or bankrupt.

26. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.

27. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

Don'ts

1. Do not deal with any unregistered intermediaries.

2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.

3. Do not enter into assured returns arrangement with any Member

4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/ implicit promise of returns, etc.

5. Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member.

6. Do not start trading before reading and understanding the Risk Disclosure Agreement.

7. Do not neglect to set out in writing, orders for higher value given over phone.

8. Do not accept unsigned/duplicate contract note/confirmation memo.

9. Do not accept contract note/confirmation memo signed by any unauthorized person.

10. Don't share your internet trading account's password with anyone

11. Do not delay payment/deliveries of commodities to Member.

12. Do not forget to take note of risks involved in the investments.

13. Do not sign blank Delivery Instruction Slips (DIS) while furnishing commodities, deposits and/or keep them with Depository Participants (DP) or member to save time.

14. Do not pay brokerage in excess of that rates prescribed by the Exchange

15. Don't issue cheques in the name of Authorized Person.

VOLUNTARY DOCUMENT

GENERAL NOTE ABOUT ANTI MONEY LAUNDERING TO INVESTORS OF STOCK MARKET / CLIENTS

Q.: What is Money Laundering? The same may include (but not limited to) the following:

1. To conceal or hide financial assets with a view to use it without detection of its source or obtained through illegal activity / source.
2. To try to hide the true source of proceeds of illegal/criminal activity.
3. To convert illegally earned income into another form so that it appears as a legitimate income.
4. To employ or apply a medium through which dirty money is inserted or to be inserted in the financial system and make such money look clean.
5. Money is circulated around the financial system in such a way that its ancestry gets hidden.

Q.: Following activities can be considered as Illegal / Criminal Activity. The same may include (but not limited to) the following:

- | | |
|--|---|
| <input type="checkbox"/> Terrorism | Extortion, Prostitution and gambling |
| <input type="checkbox"/> Fraud | Robbery |
| <input type="checkbox"/> Black mailing | Kidnapping |
| <input type="checkbox"/> Corruption | Tax Evasion |
| <input type="checkbox"/> Forger | Drug Trafficking |
| <input type="checkbox"/> Smuggling | Generation of black money by any other means. |

Q : What are the stages of Money laundering?

- i. Placement:** It is an initial stage in which money from criminal activities is placed in financial institution. It may be through various methods viz. arranging or breaking up currency transactions into portions which fall below reporting threshold for specific purpose to avoid reporting requirements.
- ii. Layering:** It is a process of conducting a complex series of financial transactions with a purpose of hiding origin of money and hindering any attempt to trace the funds. It may include multiple trades for security. Purchase of financial product such as Life Insurance or purchase of legitimate businesses.
- iii. Integration:** It is the last and final stage in the re-injection of the laundered proceeds back into the economy in such a way that they re-enter the financial system as normal business funds.

Q. : What are the consequences of Money Laundering? The same may include (but not limited to) the following:

- | | |
|---|---|
| <input type="checkbox"/> Finances terrorism | Affects the integrity of the financial system |
| <input type="checkbox"/> Encourage crime | Government control on economy reduces |
| <input type="checkbox"/> Endangers society at large | Weakening of Law & Order |
| <input type="checkbox"/> Weakening of macro-economic factors of country | |

Q. : Prevention of Money Laundering Act 2002

- ☐ Prevention of Money Laundering Act, 2002 (PMLA) came into force with effect July 01, 2005
- ☐ PMLA forms the core of the legal framework put in place by India to combat money laundering.
- ☐ PMLA defines money laundering offence and provides for the freezing, seizure and confiscation of the proceeds of crime.
- ☐ Financial Intelligence Unit-India (FIU-IND) established in 2004
- ☐ FIU-IND acts as a central repository for maintaining national database of reports submitted by reporting entities & has power to investigate.

Q. : Objectives of AMI programme

- Ensuring that financial institutions including intermediaries are not vulnerable to infiltration or abuse by organized crime groups.
- Building capacity to fight terrorism and trace terrorist money.
- Meeting binding international obligations and avoiding the risk of sanctions or other actions by the international community.
- Avoid becoming heaven for criminals.
- Securing a more transparent and stable financial system that is attractive to foreign investors.

Q. : Obligation of the Customer To provide full / complete and correct / accurate details during KYC process including:

- | | |
|------------------|----------------|
| □ Address Proof | PAN |
| □ Identity Proof | Income Details |

It is also your duty to promptly notify us or regularly update of any changes in your :

- Contact details
- Financial details
- Occupation details

Also please note that the transactions executed by you should be commensurate with the disclosed income details. In case of any requirements, please provide requested explanations/details for suspicious transactions. We as one of the intermediaries in the securities market, request you to promptly notify us, in case you come across any activity related to PMLA violation so that we can play a suitable role in protecting our country by maintaining proper AML standards and overall safety to the nation.

Disclaimer : Please note that the above is the brief idea provided to you as per our understanding without any risk or responsibility on part. For further clarification / guidance, we request you to kindly go through the provisions of Prevention of Money Laundering Act, 2002 (PMLA), various rules and regulations framed there under, notification, guidelines, circulars etc. issued there under.

POLICIES & PROCEDURES (EQUITY)

This document contains policies and procedures defined/ devised and followed by Goldmine Stocks Pvt Ltd. ('GOLDMINE' or 'Broker') which it applies or adopts while providing services as a stock broker on National Stock Exchange of India Ltd. ('NSE'), Bombay Stock Exchange Ltd. ('BSE') (collectively herein after referred to as 'the Exchanges') to its clients. The purpose of the document is to communicate these policies and procedures to clients of Goldmine.

The policies and procedures stated herein below are subject to change from time to time at the sole discretion of Goldmine, depending on market conditions, requirements prescribed by Exchanges, Regulators or any other Government Authority, its risk management framework etc.

Refusal of orders for penny/illiquid stock

Generally, the broker refuses to enter any order of clients for penny stocks. The client is required to adhere to exchange/members' guidelines and due diligence while trading in such scrips. Even trading in such scrip is very risky. As such, stock broker may from time to time / refuse orders in one or more securities due to various reasons including market liquidity, value of security (ies), the order being for securities which are not the permitted list of stock broker/ exchange(s)/SEBI or illiquid scrips or GSM/ASM scrip. Depending on market condition and risk management policy of the company, the stock broker reserves the right to refuse to provide limit in penny Stocks and losses if any on account on such refusal shall be borne by the client only. We the broker, do hereby warn the client not to deal in any penny stock. However, Broker at its own discretion, may allow or disallow the clients (on case to case basis) to deal In penny stocks, subject to rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, at related point of time. The exposure limit in such scrips shall vary from client to client subject to Risk Management (RMS) Policy of Broker and prevalent market condition from time to time without prior notice.

Client's exposure/ Limit -New

Exposure to the client will be provided based on the collateral available as margin in the client's trading account maintained with Goldmine. Collaterals can be in form of securities (under margin pledge) (non-cash collateral) and available ledger balance (cash collateral). The securities markets are usually very volatile and different clients have different risk profiles. Volatility amongst different scrip and different derivatives contracts are different. Business Rules, Bye laws and Regulations of the Exchanges, SEBI require Brokers to collect upfront margin from its clients.

The trading limit setting policies enumerated below are to be taken as basis for understanding policies implemented by Goldmine and the same may not be rigidly followed and may be changed from time to time considering prevailing rules and regulations. The averments contained in these statements are not promises made by Goldmine to its clients and they do not confer any rights to clients to demand that their trading limits at all times will be set according to these policies.

The exposure can be a certain multiple of the available margin. Such multiplier will be as decided by Goldmine from time to time (as per RMS policy of Goldmine) and may vary from client to client. In F&O client needs to provide SPAN and Exposure as upfront margin.

The choice of the securities to be considered as margin shall be determined by Goldmine at its sole discretion from time to time and the client shall abide by the same.

While granting the exposure limit, margin in the form of securities will be valued as per the latest available closing price on the exchanges after applying appropriate haircut (VAR+ELM and/or additional margin) as may be decided by Goldmine at its sole discretion.

Goldmine may from time to time depending on market conditions, profile and history of the client, type and nature of scrip, etc., at its sole discretion charge/change the rate of haircut applicable on the securities given as margin pledge, multiplier for granting exposure in Cash/F&O segments and take such steps as Goldmine may deem appropriate.

The Client will have to abide by the exposure limit set by Goldmine.

Applicable Brokerage rate

Goldmine discloses that it shall charge a brokerage at the rate being agreed by the client with broker (including its branches and sub brokers) as may be prescribed in the tariff sheet. However, Goldmine shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI/Exchanges from time to time. It is hereby further clarified that brokerage on options contracts shall not exceed 2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.

Goldmine charges minimum Rs.25/- per contract note issued in case of brokerage chargeable on cash market transactions. This minimum limit may be revised upwards depending on regulatory dispensations and cost of environment. Goldmine may waive off minimum contract charges for certain clients at its own discretion.

The brokerage rate may be varied in future as agreed between the client and Goldmine either in writing or orally from time to time. In case of oral agreement, if the brokerage is charged at such revised rate in contract note subsequent to revision and the client does not raise any dispute on such brokerage within the time period stipulated on the contract note then the same will be considered as consented by the client.

Imposition of Penalty/Late Payment Charges

Imposition of Penalty:

The Exchange/ Clearing Corporation / SEBI levies penalties on the broker for irregularities observed by them during the course of business. Goldmine shall recover such imposed penalties/ levies, if any, by the Exchange/Regulatory, from such clients on account of whose dealings such penalties/levies have been imposed. Few of the examples of violations for which penalties may be levied are as under:

- a. Auction of securities pursuant to short deliveries by the client.
 - b. Non adherence to client level exposure limits in cash, F&O and currency segments.
 - c. Short margin reporting in any segment as may be stipulated by the respective Exchange.
 - d. Any other reason which may be specified by the Exchanges/ Clearing Corporation/SEBI from time to time.
- Such recovery would be by way of debit in the ledger of the client and amounts would be adjusted in client ledger account.

Further, if client does not make payment against its settlement obligation or margin obligation with the stipulated pay in time, the late/delay payment charges at the rate of 18% per annum shall be charged on weekly basis. Such late payment charge should not result in frequent late payment by the client and must not be termed by the client as funding provided by the broker.

Liquidation of Client's Securities/Close Open Position

Goldmine requests the prospective clients to refer to RIGHTS & OBLIGATION and RISK DISCLOSURE DOCUMENT wherein Broker's rights to sell securities purchased by the client and to close out open positions of the client are adequately defined.

The constituent is supposed to make its pay in obligations on time for the funds and/or securities for all the Segment of the exchange. The client has to maintain upfront margin in cash as well as in derivatives segment of the exchange as per the exchange's requirement. In case if any shortfall is found in margin, the open positions of the

constituent shall be squared off to the extent of shortfall without any intimation for the same as per our RMS policy.

As per the SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019 on Handling of Client's Securities Goldmine Stocks Pvt Ltd shall transfer the securities purchased by client to client's demat account within 1 working day of the pay out in case of clear payment is received from the client. If client fails to make the payment in full then Goldmine shall transfer the securities to the "client unpaid securities account (CUSA)". The securities kept in the CUSA shall either be transferred to the demat account of the client upon fulfillment of its funds pay-in obligation or in case of the payment is not received from the client it shall be disposed of in the market by Goldmine within 5 trading days after the pay out without any notice to the extent of debit balance of the client and/or as per Goldmine's Risk Management policy and balance securities, if any shall be transferred to the respective client's demat account.

In the event of client not meeting margin obligations as applicable, Goldmine may square off its outstanding positions and sell off collaterals, to the extent required, without prior written or oral notice or intimation to the client, to ensure that the open positions of the client is backed by sufficient margin. In case of Intraday trade, same shall be squared off automatically by the system on 3:15 PM onwards in both cash and F&O. Further, client's open position shall be squared off upon the MTM loss on open position reaching to 70% or at discretion of Goldmine depending on market condition or client's risk profile of the available collateral/margin value.

(Intraday square off timings can change based on the discretion of our risk management department)

The broker reserves the right not to increase the position of the constituent as per his risk parameters. In case of any order from regulatory authorities, the client's open positions shall be liquidated.

Restrictions/Prohibition to take further position or closing existing position:

Under any of circumstances, such as client's failure to meet Pay-In or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker, the client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirement etc. from client side, broker might close the existing position or open position WITHOUT ANY FURTHER INTIMATION to the client, Such Circumstance include (but not limited to) :

- (i) Failure to meet Pay-In obligation on Pay-In Day.
- (ii) Delay in meeting the Pay-In or margin requirement.
- (iii) Delay or failure in clearance or outstanding or dues to the broker,
- (iv) Returning or frequent returning of cheques of the client,
- (v) Unnecessary/Unwarranted dispute from client without any substantial cause/reason, settled without Involvement of Exchange and/or SEBI.
- (vi) As per prevalent RMS policy of the Broker.
- (vii) Any direction from SEBI/Exchange or such other authorities.
- (ix) Under such other circumstances as the Broker might think just and proper on case to case basis.

Shortages and Delivery Obligation arising out of internal netting of trades (NEW)

Stock Exchanges compute delivery obligations of the brokers after netting off all the positions of all clients for each scrip. If on net basis, the total position of the broker for scrip is sale, he is required to deliver such net quantity of shares of that scrip to Stock Exchange before pay in. If on net basis, the total position of the broker for scrip is purchase, Stock Exchange delivers such net quantity of shares of that scrip to the broker on successful completion of pay in, at the time of pay out. This may result in sale position of one client being netted off against purchase position of another client in the same scrip requiring settlement of delivery obligations within the office of the broker. In such event, if the selling client fails to honour his settlement obligation, the buyerclient may end up not receiving securities against his purchase or he may receive lesser no. of shares than his purchase quantity of shares. Since the obligation against Exchange is nonexistent, the usual auction mechanism established by the Stock Exchange may not be available in such scenario. Stock brokers are required to frame procedures for dealing with such internal shortage which are fair and transparent.

Goldmine has framed and implemented following policy for settling of the transaction, which remains unsettled due to Internal Shortages.

The transaction, which remains unsettled due to Internal Shortages of Securities, shall be closed out and settled amongst the buyer and seller as under:

- a) The Short delivering (seller) client is debited by an amount equivalent to higher of 3% above the official closing price on the auction day OR the highest weighted Average price from trading day till the auction day OR purchase price of the Buyer and the amount shall be credited to the short purchasing (Buyer) client. However, the amount of penalty to be debited from defaulting client (seller) and to be credited to the buyer will be subject to the discretion of the management considering the value, volume and or liquidity in the scrip on a case to case basis. It may differ from the criteria mentioned above.
- b) Notwithstanding anything contained in Clause No. a as above, in case the shortages in obligations arising out of internal netting of trades of Physical Settlement in Equity Derivative segments, then the delivering client is debited by amount equivalent to higher of

- 1. 3% above the official closing price on the auction day in case the scrip is a part of Nifty Index otherwise 5% OR
- 2. The highest Weighted Average price + 3% from the first trading day of the settlement till the auction day the amount shall be credited to the short purchasing client.

However, the amount of penalty to be debited from defaulting client (seller) and to be credited to the buyer will be subject to the discretion of the management considering the value, volume and or liquidity in the scrip on a case to case basis. It may differ from the criteria mentioned above.

Suspending/Closing/Deregistering the trading account

Without prejudice to Goldmine's rights and remedies available under the Agreement, Goldmine may forthwith, at its sole and absolute discretion, de-register/suspend the client with/without prior notice/intimation in the following circumstances:

- a) If the client makes request for deregistration in writing.
- b) If Goldmine is satisfied and believes that the client is not interested in executing transactions through Goldmine.
- c) If the client is not maintaining his account as per the requirements and Goldmine wishes to sever the Relationship with the client after giving such due notice as stipulated in Rights and Obligation Document.

- d) Where the client indulges in any irregular trading activities like synchronized trading, price manipulation, trading in illiquid securities/ options/contracts self-trades, trading in securities at prices significantly away from market prices, etc.
- e) Any enquiry/investigation initiated by the Exchanges/regulators against the client;
- f) Any regulatory action taken/initiated against the client by the Exchange/regulators including but not limited to debarring the client from accessing the capital market;
- g) Where name of the client apparently resembles with the name appearing in the list of debarred entities published by SEBI/ Exchanges (where no information other than name is available);
- h) Name of the client appears in database/websites of CIBIL, Watch Out Investors, World Check, etc.;
- i) The client having suspicious back ground or link with suspicious organization;
- j) Where the client is non-traceable, has pending disputes with Goldmine, possibility of a default by the client;
- k) Any other circumstances leading to a breach of confidence in the client for reasons like return of undelivered couriers citing reason of 'No such person/ Addressee left/ Refusal to accept mails, etc., continuous cheque bouncing, or not furnishing the Financial and other details as may be called for by Goldmine from time to time, etc.
- l) Upon receipt of written information about the death of the client;
- m) Such other circumstances which in the sole opinion of Goldmine warrants de-registering the client.

In all such cases, Goldmine shall have the right to close out the existing open positions/contracts, sell/liquidate the margin (in any form) to recover its dues, if any, before der-registering/suspending the client.

Policy for Inactive/Dormant Clients

In case of any account(s), the term dormant / inactive account refers to such account wherein no transactions/trades have been carried out since last 12 months. The funds / securities of such clients must be returned and the account must be having zero balance. The said clients are not permitted to carry out any fresh transactions/trades in such account.

The process of identifying the dormant/inactive account based on the above mentioned criteria shall be run daily / weekly / monthly basis post the end of the day activities depending on the criteria set by the management from time to time. Account identified as dormant/inactive shall be flagged as dormant/inactive in the trading software, back-office system and respective exchange's UCC data base and also such account restricted for further trading/transaction till the clients is not re-active their account as per process mentioned below.

Process of re-activation of Inactive/Dormant accounts

Client can get the account reactivated by the client after provided sufficient due diligence (including IPV) and also provided the updated information through the any process mentioned below:

- a. Submit reactivation form at any of our branches along with latest documents.
- b. By placing request for re-activation of account through our online facility system.

GENERAL:

Goldmine shall have the right at its sole and absolute discretion to amend/change/revise any of the above said policies and procedure at time in future and the same shall be binding on the client forthwith. Latest Policy and Procedures shall be available on website of Goldmine (www.goldmine.co.in). Client should refer to the same from time to time for any updation of Policy and Procedure of the stock broker.

Any action taken by Goldmine in accordance with the policies and procedures mentioned herein above cannot be challenged by the client, and Goldmine shall not be liable to the client for any loss or damage (actual/notional) which may be caused to the client as a result.

POLICIES & PROCEDURES (COMMODITY)

This document contains policies and procedures defined/ devised and followed by Goldmine Commodities Pvt Ltd. ('GOLDMINE' or 'Broker') which it applies or adopts while providing services as a stock broker on Multi Commodity Exchange of India Ltd. ('MCX'), The purpose of the document is to communicate these policies and procedures to clients of Goldmine.

The policies and procedures stated herein below are subject to change from time to time at the sole discretion of Goldmine, depending on market conditions, requirements prescribed by Exchanges, Regulators or any other Government Authority, its risk management framework etc.

Goldmine shall endeavour to keep its clients updated about such changes through regular and timely display of updated documents on its website and through direct/indirect communications to clients to the extent possible. The client may, if he or she so wishes, obtain an updated copy of this document by specifically requesting in writing.

REFUSAL OF ORDERS

In view of the risks associated in dealing with illiquid futures contracts/ options, Goldmine would generally advise its clients to desist from trading in them. Further, SEBI, Exchanges or Goldmine may issue circulars or guidelines necessitating exercising additional due diligence by the clients, for dealing in such commodities. Goldmine may refuse to accept orders for execution of trade by a registered client under the following circumstances:

- a. If Goldmine forms an opinion that the order is not placed with a genuine trading or investment objective.
- b. If Goldmine forms an opinion that there is exceptional volatility in the market in general or in market for that particular derivative contract and execution of trade under such situation may expose it to very high risk.
- c. If Goldmine forms an opinion that the price of the derivative contract does not reflect its fundamentals for market factors and the same is the result of market manipulation orchestrated or perpetrated by unknown entities.
- d. While accepting an order for illiquid derivative contracts for which either the Regulator or the Exchange have raised caution flag in any manner whatsoever, Goldmine shall make such inquiries as it may deem fit and shall undertake such review of the fundamentals and technical factors of the underlying commodity and/or trading pattern of the underlying and/or its derivatives as it may find necessary, and may accept or reject such order based on its assessment. Apart from Exchanges and Regulator identifying illiquid derivative contracts, Goldmine may have its own criteria in deciding whether a derivative contract is illiquid or not.
- e. Goldmine does not allow clients to trade in illiquid derivative contracts. The measure of liquidity changes from time to time and from underlying to underlying.
- f. Trading in commodities of the types enumerated above will be allowed to the client at the sole and absolute discretion of Goldmine. Such commodities may be blocked in a normal trading system and any dealings in such commodities will be allowed only on the approval of risk management department as it may deem fit. Goldmine may restrict the quantity of order of such commodities if the client is allowed to buy/sell.
- g. Trading in commodities market take place on screen based online computerized trading environment which is dependent on efficient functioning of network equipment, computers and software. In the event of malfunction or problem in any of these ingredients, Goldmine may not be able to place client's order in such circumstances. Such inability on the part of Goldmine may result in loss of opportunity or notional loss to the client as prices may have moved during the time taken in resolving the technical issues which may

have resulted in non-execution of order. Such risk is inherent systemic risk. Goldmine shall not be responsible for such opportunity loss or notional loss and shall not reimburse the client for such amount.

h. Goldmine has to maintain margin deposits with the Exchange and the same is monitored by Exchange on real time basis. Margin rates are based on parameters defined by Exchanges and SEBI. These parameters may change during the course of the day on account of volatility and price movements. In the event of change of values of some of the parameters, applicable margin rates may change one or more times during the day. Exchanges disable trading terminal of those brokers who might have fully utilized to the extent of 100% of their deposits. This situation may arise on account of change in the margin rates or sudden surge in clients' orders resulting in deposits being exhausted. Under such circumstances, Goldmine may not be able to accept fresh orders from client on account of its inability to execute the same. This may result in loss of opportunity or notional loss to the client as prices may have moved during the time taken in resolving the operational issues which may have resulted in non-execution of order. Such risk is operational risk inherent to trading in commodities market. Goldmine shall not be responsible for such opportunity loss or notional loss and shall not reimburse the client for such amount.

CLIENT'S EXPOSURE LIMIT

The Commodity derivatives markets are usually very volatile and different clients have different risk profiles. Volatility amongst different commodities and different derivatives contracts are different. Business Rules, Bye laws and Regulations of the Exchanges require Brokers including Goldmine to obtain upfront margin from clients.

All these factors taken together create a challenging environment where Goldmine, apart from setting allowable trading limits for different clients Differently, has to often modify or change such trading limits several times during the day if situation so demands.

The trading limit setting policies enumerated below are to be taken as basis for understanding policies implemented by Goldmine and the same may not be rigidly followed and may be changed from time to time on account of factors stated above. The averments contained in these statements are not promises made by Goldmine to its clients and they do not confer any rights to clients to demand that their trading limits at all times will be set according to these policies.

a. Exposure limits to the client will be provided based on the available margin in the client's broking account maintained with Goldmine.

b. The exposure limits will be a certain multiple of the available margin. Such multiplier will be as decided by Goldmine from time to time and may vary from client to client, on a case-to-case basis Goldmine, as its sole and absolute discretion, may allow higher exposure limits to the client.

d. Available margin for the purpose of granting exposure is calculated as a sum of free credit balance of the client in Goldmine's books, margin in the form of funds, securities, bank fixed deposit, bank guarantee, commodity balances either in demat or warehouse Receipt form etc. of the client available with Goldmine.

e. While granting the exposure limit, margin in the form of securities and commodity balances will be valued as per the latest available closing price on NSE or BSE or as available on Commodity Exchanges, respectively after applying appropriate haircut as may be decided by Goldmine at its sole discretion.

f. Goldmine may from time to time depending on market conditions, profile and history of the client, type and nature of scrip or commodities, etc., at its sole discretion charge/change the rate of haircut applicable on the securities or commodities given as margin, multiplier for granting exposure and take such steps as Goldmine may deem appropriate.

g. The Client will have to abide by the exposure limit set by Goldmine.

h. In case of client being granted exposure limit as a multiple of available collateral value, the same is granted on client undertaking that

(i) The client will square off open positions, margin on which is in excess of available collateral value etc. at least 30 minutes prior to end of trading hours for those derivative contracts in which client has open position, to the extent such as to reduce his open position to such level on which margin applicable is equal or less to the value of collateral etc.

ii) Upon the MTM loss on open position reaching 70% of the available collateral value or at discretion of Goldmine depending on client's risk profile, client open position shall be squared off.

APPLICABLE BROKERAGE RATE

a Goldmine charges brokerage to its clients at rates not exceeding the maximum chargeable as prescribed by exchanges/SEBI, which is at present 1% in case of non-delivery transactions and 2%(plus expenses) in case of transactions resulting in to delivery. The actual brokerage rates chargeable to a client will be as per the terms agreed with the client at the time of client registration. It is hereby further clarified that brokerage on commodity options contracts shall not exceed 1% of the premium amount or Rs. 100/- (per lot) whichever is higher.

Goldmine may charge brokerage on commodity option contracts expiring worthless and option contracts exercised/assigned. In case of low value commodities, Goldmine may prescribe minimum brokerage per commodity which may exceed 1% of the value of the transaction.

The brokerage rate at no point of time will exceed the rates as may be specified by the Exchanges/SEBI from time to time.

The brokerage rate may be varied in future as agreed between the client and Goldmine either in writing or orally from time to time. In case of oral agreement, if the brokerage is charged at such revised rate in contract note subsequent to revision and the client does not raise any dispute on such brokerage within the time period stipulated on the contract note then the same will be considered as consented by the client.

IMPOSITIONS OF PENALTY/LATE PAYMENT CHARGES

Imposition of Penalty:

The Exchange/ Clearing Corporation / SEBI levies penalties on the broker for irregularities observed by them during the course of business. Goldmine shall recover such imposed penalties/ levies, if any, by the Exchange/Regulatory, from such clients on account of whose dealings such penalties/levies have been imposed. Few of the examples of violations for which penalties may be levied are as under:

- a) Auction of commodities pursuant to short deliveries by the client.
- b) Non adherence to client level exposure limits
- c) Short margin reporting in any segment as may be stipulated by the respective Exchange.
- d) Any other reason which may be specified by the Exchanges/ Clearing Corporation/SEBI from time to time.

Such recovery would be by way of debit in the ledger of the client and amounts would be adjusted in client ledger account.

Further, if client does not make payment against its settlement obligation or margin obligation with the stipulated pay in time, the late/delay payment charges at the rate of 18% per annum shall be charged on

weekly basis. Such late payment charge should not result in frequent late payment by the client and must not be termed by the client as funding provided by the broker.

LIQUIDATION OF CLIENT'S OPEN POSITION

Goldmine requests the prospective clients to refer to RIGHTS & OBLIGATIONS and RISK DISCLOSURE DOCUMENT wherein Broker's rights to sell commodities purchased by the client and to close out open positions of the client are adequately defined. For the sake of clarity, the circumstances and procedures relating to such close out or sale of commodities are explained below.

a. The existing margining systems and Exchange Regulations require that Goldmine collect upfront margin from its customers; and Exchanges require margin deposits in the form and manner prescribed which is monitored online by the Exchanges on post trade basis. Goldmine is also required to report daily the details of margin required to be collected from each client having open position and margin collected from each of such client. Shortages in collection would amount to non-compliance with Exchange Regulations and may result in penalties and even suspension of trading. Credit balances and collateral available in client's ledger account is first appropriated against debit for MTM settlement and balance available together with collaterals if any deposited by the client, valued as per defined norms should be sufficient to meet applicable margin requirement at the commencement of trading on the next day. Any shortages will have to be made good by clients before commencement of trading.

b. In the event of client not meeting margin obligations as applicable, Goldmine may square off its outstanding positions and sell off collaterals, to the extent required, without prior written or oral notice or intimation to the client, to ensure that the open positions of the client is backed by sufficient margin. In case of MTM loss of client on open position reaching 70% of the available collateral value or at discretion of Goldmine depending the client's risk profile, and RMS policy of Goldmine, client's open position shall be squared off.

c. Goldmine may not exercise its rights of squaring off or liquidating collaterals in all cases at all times. This may happen due to client making promise of payment or deposit of collaterals in due course, which Goldmine may rely upon. Non exercise of its rights by Goldmine should not be construed as allowing client the right to keep open positions without sufficient margin.

RESTRICTIONS/PROHIBITION TO TAKE FURTHER POSITION OR CLOSING EXISTING POSITION

Under any of circumstances, such as client's failure to meet Pay-In or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker, the client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirement etc. from client side, broker might close the existing position or open position WITHOUT ANY FURTHER INTIMATION to the client, Such Circumstance include (but not limited to) :

- (i) Failure to meet Pay-In obligation on Pay-In Day.
- (ii) Delay in meeting the Pay-In or margin requirement.
- (iii) Delay or failure in clearance or outstanding or dues to the broker,
- (iv) Returning or frequent returning of cheques of the client,
- (v) Unnecessary/Unwarranted dispute from client without any substantial cause/reason, settled without Involvement of Exchange and/or SEBI.
- (vi) As per prevalent RMS policy of the Broker.
- (vii) Any direction from SEBI/Exchange or such other authorities.
- (ix) Under such other circumstances as the Broker might think just and proper on case to case basis.

Goldmine may take actions under this policy with or without giving any notice or intimation to the client. Goldmine will not be responsible for any opportunity loss or actual loss to the client in the event of any action taken by it pursuant to this policy.

SUSPENDING/CLOSING/DEREGISTERING THE TRADING ACCOUNT

Without prejudice to Goldmine's rights and remedies available under the Agreement, Goldmine may forthwith, at its sole and absolute discretion, de-register/suspend the client with/without prior notice/intimation in the following circumstances:

- a. If the client makes request for deregistration in writing.
- b. If Goldmine is satisfied and believes that the client is not interested in executing transactions through Goldmine.
- c. If the client is not maintaining his account as per the requirements and Goldmine wishes to sever the Relationship with the client after giving such due notice as stipulated in Member Client Agreement.
- d. Where the client indulges in any irregular trading activities like synchronized trading, price manipulation, trading in illiquid commodities / options/contracts, self-trades, trading in commodities at prices significantly away from market prices, etc.
- e. Any enquiry/investigation initiated by the Exchanges/regulators against the client;
- f. Any regulatory action taken/initiated against the client by the Exchange/regulators including but not limited to debarring the client from accessing the commodity market;
- g. Where name of the client apparently resembles with the name appearing in the list of debarred entities published by SEBI/ Exchanges (where no information other than name is available);
- h. Name of the client appears in database/websites of CIBIL, Watch Out Investors, World Check, etc.;
- i. The client having suspicious back ground or link with suspicious organization;
- j. Where the client is non-traceable, has pending disputes with Goldmine, possibility of a default by the client;
- k. Any other circumstances leading to a breach of confidence in the client for reasons like return of undelivered couriers citing reason of 'No such person/ Addressee left/ Refusal to accept mails, etc., continuous cheque bouncing, or not furnishing the Financial and other details as may be called for by Goldmine from time to time, etc.
- l. Upon receipt of written information about the death of the client;
- m. Such other circumstances which in the sole opinion of Goldmine warrants to de-register the client.

In all such cases, Goldmine shall have the right to close out the existing open positions/contracts, sell/liquidate the margin (in any form) to recover its dues, if any, before de-registering/suspending the client.

POLICY FOR INACTIVE/DORMANT CLIENT

In Any account(s) in which no transactions took place during the period of 1 year from the date of last transactions, the same shall be considered as dormant/Inactive. Such transactions date may be relate to any of the following date, whichever is later.

- a) Entry related to contract or bill generation for buy/sell transactions or
- b) Entry related to payment of funds or s commodities

To designate the client's account as Dormant/In active account, the period of 12 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place.

If the Exchanges for trading in which the client has indicated preference have their own timeline and procedure for defining inactive clients, then the directive of the Exchange in this regard shall be applicable.

In order to reactivate the account, client needs to give reactivation request form duly signed by her/him at least 2 days in advance to the branch or the head office of the broker, along with the self-attested copy of the ID proof and income tax return/bank statement (last six month) or any other documents as may be required by the broker. Broker may, in its own discretion, waive/reduce the period of 2 days as the circumstances may warrant on case to case basis.

GENERAL:

Goldmine shall have the right at its sole and absolute discretion to amend/change/revise any of the above said policies and procedure at time in future and the same shall be binding on the client forthwith.

Any action taken by Goldmine in accordance with the policies and procedures mentioned herein above cannot be challenged by the client, and Goldmine shall not be liable to the client for any loss or damage (actual/notional) which may be caused to the client as a result.



Investor Charter – Stock Brokers

VISION

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

MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep 'protection of investors' interest' as goal while providing service.

Services provided to Investors

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

Rights of Investors

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements. **Receive**
- account statements that are accurate and understandable. **Understand** the
- terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access.



- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	10 days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading
5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade
8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS within 24 hours of pay-out
10.	'Statement of Accounts' for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	30 days from the receipt of the complaint

DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> 1. Read all documents and conditions being agreed before signing the account opening form. 2. Receive a copy of KYC, copy of account opening documents and Unique Client Code. 3. Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes. 	<ol style="list-style-type: none"> 1. Do not deal with unregistered stock broker. 2. Do not forget to strike off blanks in your account opening and KYC. 3. Do not submit an incomplete account opening and KYC form.



<ol style="list-style-type: none"> 4. Receive all information about brokerage, fees and other charges levied. 5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions. 6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted. 7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades. 8. Receive funds and securities / commodities on time within 24 hours from pay-out. 9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges. 10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days). 11. In case of any grievances, approach stockbroker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines. 	<ol style="list-style-type: none"> 4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system. 5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker. 6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed. 7. Do not opt for digital contracts, if not familiar with computers. 8. Do not share trading password. 9. Do not fall prey to fixed / guaranteed returns schemes. 10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits. 11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.
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Grievance Redressal Mechanism

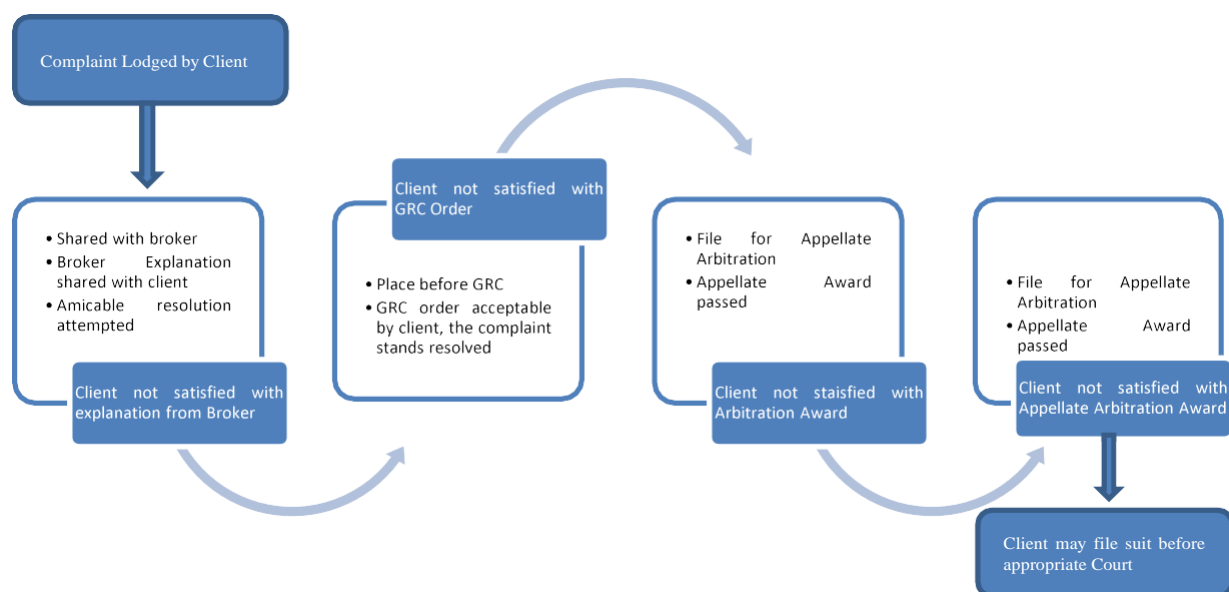
Level 1 Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

Level 2 Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.

Complaints Resolution Process at Stock Exchange explained graphically:



भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India



Timelines for complaint resolution process at Stock Exchanges against stock brokers

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



S. No.	Type of Activity	Timelines for activity
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF). The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

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

Default of TM/CM

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

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

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

- eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.

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

Annexure A

1. Vision

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

2. Mission

- To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
- To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
- To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.

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

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP). Details available on the link [<https://nsdl.co.in/dpsch.php>]

4. Description of services provided by the Depository through Depository Participants (DP) to investors**(1) Basic Services**

Sr. no.	Brief about the Activity /Service	Expected Timelines for processing by the DP after receipt of proper documents
1.	Dematerialization of securities	7 days
2.	Rematerialization of securities	7 days
3.	Mutual Fund Conversion /Destatementization	5 days

INVESTOR CHARTER

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

(2) Depositories provide special services like pledge, hypothecation, internet based services etc. in addition to their core services and these include

Sr. no.	Type of Activity /Service	Brief about the Activity / Service
1.	Value Added Services	<p>Depositories also provide value added services such as</p> <ul style="list-style-type: none"> a. Basic Services Demat Account(BSDA)¹ <i>[link to be provided by the Participants]</i> b. Transposition cum dematerialization² <i>[link to be provided by the Participants]</i> c. Linkages with Clearing System³ <i>[link to be provided by the Participants]</i> d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.)
2.	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
3.	Digitalization of services provided by the depositories	Depositories offer below technology solutions and e-facilities to their demat account holders through DPs:

INVESTOR CHARTER

Sr. no.	Type of Activity /Service	Brief about the Activity / Service
		<p>a. E-account opening⁴ <i>[link to be provided by the Participants]</i></p> <p>b. Online instructions for execution⁵ <i>[link to be provided by the Participants]</i></p> <p>c. e-DIS / Demat Gateway⁶ <i>[link to be provided by the Participants]</i></p> <p>d. e-CAS facility⁷ <i>[link to be provided by the Participants]</i></p> <p>e. Miscellaneous services⁸ <i>[link to be provided by the Participants]</i></p>

5. Details of Grievance Redressal Mechanism

(1) The Process of investor grievance redressal

1.	Investor Complaint/ Grievances	<p>Investor can lodge complaint/ grievance against the Depository/DP in the following ways:</p> <p>a. Electronic mode -</p> <p>(i) SCORES (a web based centralized grievance redressal system of SEBI) [https://www.scores.gov.in/scores/Welcome.html]</p> <p>(ii) Respective Depository's web portal dedicated for the filing of complaint [https://www.epass.nsdl.com/complaints/webcitecomplaints.aspx]</p> <p>(iii) Emails to designated email IDs of Depository [relations@nsdl.co.in]</p> <p>The complaints/ grievances lodged directly with the Depository shall be resolved within 30 days.</p>
2.	Investor Grievance Redressal Committee of Depository	<p>If no amicable resolution is arrived, then the Investor has the option to refer the complaint/ grievance to the Grievance Redressal Committee (GRC) of the Depository. Upon receipt of reference, the GRC will endeavor to resolve the complaint/ grievance by hearing the parties, and examining the necessary information and documents.</p>

INVESTOR CHARTER

3.	Arbitration proceedings	The Investor may also avail the arbitration mechanism set out in the Byelaws and Business Rules/Operating Instructions of the Depository in relation to any grievance, or dispute relating to depository services. The arbitration reference shall be concluded by way of issue of an arbitral award within 4 months from the date of appointment of arbitrator(s).
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(2) For the Multi-level complaint resolution mechanism available at the Depositories⁹
[link to be provided by the Participants]

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

Sr. No.	Type of special circumstances	Timelines for the Activity/ Service
1.	<ul style="list-style-type: none">▪ Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.▪ Participant surrenders the participation by its own wish.	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.

7. Dos and Don'ts for Investors¹⁰ ***[link to be provided by the Participants]***

8. Rights of investors¹¹ ***[link to be provided by the Participants]***

9. Responsibilities of Investors¹² ***[link to be provided by the Participants]***

Annexure B

INFORMATION CONTAINED IN LINKS TO THE INVESTOR CHARTER

This document contains the contents in main Charter mapped with the same superscript.

Para 4 (2) of Investor Charter

Point 1: Value Added Services

- a. Basic Services Demat Account (BSDA)¹: The facility of BSDA with limited services for eligible individuals was introduced with the objective of achieving wider financial inclusion and to encourage holding of demat accounts. No Annual Maintenance Charges (AMC) shall be levied, if the value of securities holding is upto Rs. 50,000. For value of holdings between Rs 50,001- 2,00,000, AMC not exceeding Rs 100 is chargeable. In case of debt securities, there are no AMC charges for holding value upto Rs 1,00,000 and a maximum of Rs 100 as AMC is chargeable for value of holdings between Rs 1,00,001 and Rs 2,00,000.
- b. Transposition cum dematerialization²: In case of transposition-cum- dematerialisation, client can get securities dematerialised in the same account if the names appearing on the certificates match with the names in which the account has been opened but are in a different order. The same may be done by submitting the security certificates along with the Transposition Form and Demat Request Form.
- c. Linkages with Clearing System³ for actual delivery of securities to the clearing system from the selling brokers and delivery of securities from the clearing system to the buying broker.

Point 3: Digitization of services provided by the depositories

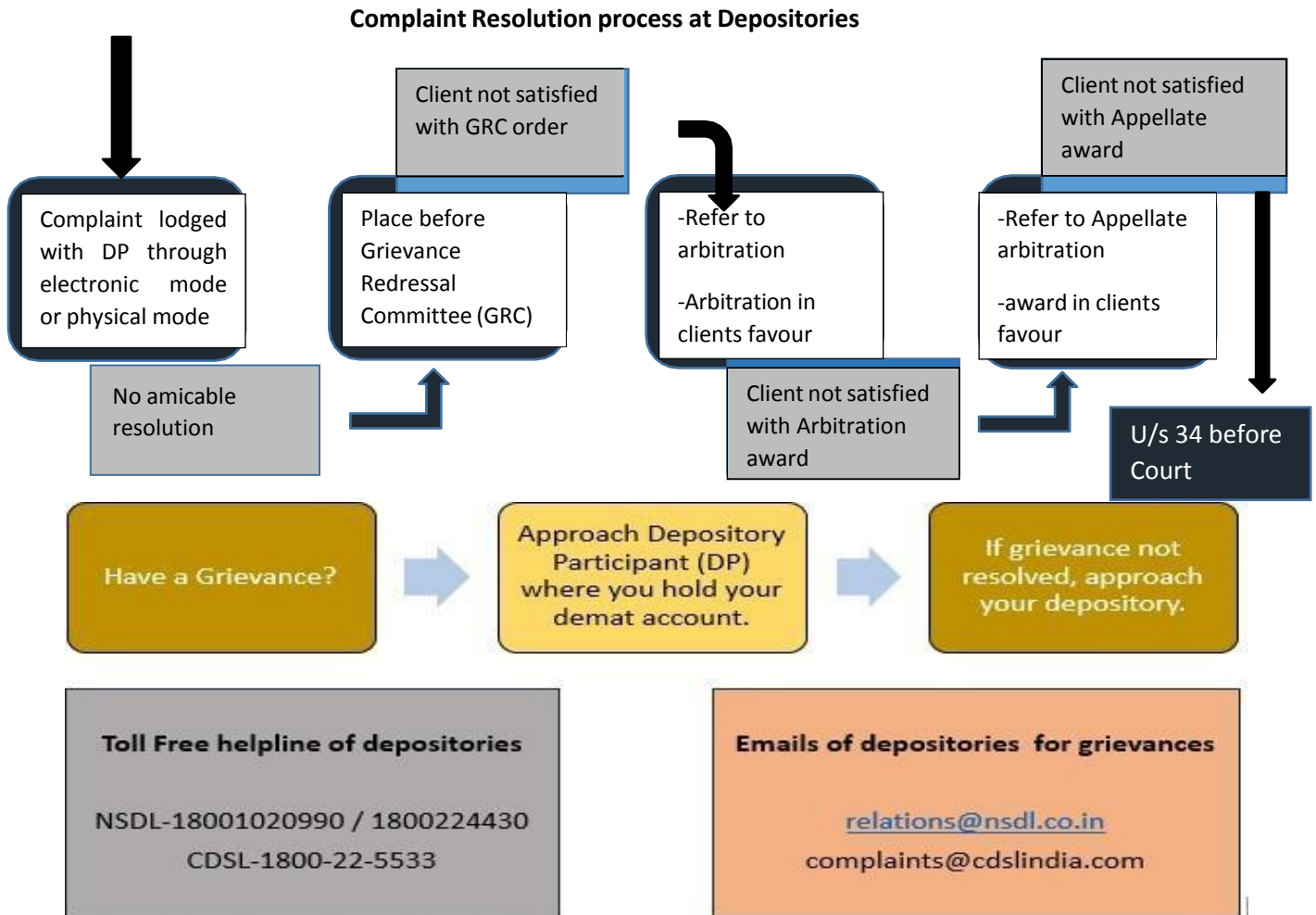
- a. E-account opening⁴: Account opening through digital mode, popularly known as “On-line Account opening”, wherein investor intending to open the demat account can visit DP website, fill in the required information, submit the required documents, conduct video IPV and demat account gets opened without visiting DP's office.
- b. Online instructions for execution⁵: internet-enabled services like Speed-e (NSDL) & Easiest (CDSL) empower a demat account holder in managing his/her securities ‘anytime-anywhere’ in an efficient and convenient manner and submit instructions online without the need to use paper. These facilities allow Beneficial Owner (BO) to submit transfer instructions and pledge instructions including margin pledge from their demat account. The instruction

facilities are also available on mobile applications through android, windows and IOS platforms.

- c. e-DIS / Demat Gateway:⁶ Investors can give instructions for transfer of securities through e-DIS apart from physical DIS. Here, for on-market transfer of securities, investors need to provide settlement number along with the ISIN and quantity of securities being authorized for transfer. Client shall be required to authorize each e-DIS valid for a single settlement number / settlement date, by way of OTP and PIN/password, both generated at Depositories end. Necessary risk containment measures are being adopted by Depositories in this regard.
- d. e-CAS facility:⁷ Consolidated Account Statements are available online and could also be accessed through mobile app to facilitate the investors to view their holdings in demat form.
- e. Miscellaneous services:⁸ Transaction alerts through SMS, e-locker facilities, chatbots for instantaneously responding to investor queries etc. have also been developed.

Para 5(2) of Investor Charter

Complaint Resolution process at Depositories⁹



Investor Helpline Details of Depositories

Para 7 of Investor Charter

Dos and Don'ts for Investor¹⁰

Sl No.	Guidance
1.	Always deal with a SEBI registered Depository Participant for opening a demat account.
2.	Read all the documents carefully before signing them.
3.	Before granting Power of attorney to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
4.	Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
5.	Accept the Delivery Instruction Slip (DIS) book from your DP only (pre- printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders. Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s). Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque.
6.	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
7.	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
8.	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
9.	Do not share password of your online trading and demat account with anyone.

Sl No.	Guidance
10.	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
11.	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
12.	Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
13.	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at https://scores.gov.in/scores/Welcome.html
14.	Keep a record of documents signed, DIS issued and account statements received.
15.	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
16.	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
17.	Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
18.	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
19.	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
20.	Beware of assured/fixed returns.

Para 8 of Investor Charter

Rights of investors¹¹

- Receive a copy of KYC, copy of account opening documents.
- No minimum balance is required to be maintained in a demat account.
- No charges are payable for opening of demat accounts.
- If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.

- You can open more than one demat account in the same name with single DP/ multiple DPs.
- Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the matter with the Depositories.
- Pledge and /or any other interest or encumbrance can be created on demat holdings.
- Right to give standing instructions with regard to the crediting of securities in demat account.
- Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.
- In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.
- Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which Depositories have developed an internet based 'e-Voting' platform.
- Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.

Para 9 of Investor Charter

Responsibilities of Investors¹²

- Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.
- Read all documents and conditions being agreed before signing the account opening form.
- Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.

- Always mention the details like ISIN, number of securities accurately.
- Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- Regularly verify balances and demat statement and reconcile with trades / transactions.
- Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.