



Branch: \_\_\_\_\_

Address: \_\_\_\_\_

Account No: \_\_\_\_\_

Account Type: Savings / Current / NRI / Others : \_\_\_\_\_

(Copy of a canceled Cheque leaf/pass book/bank statement containing name of the constituent should be submitted.)

Depository Participant Name (through which transactions will generally be routed.) \_\_\_\_\_

Address \_\_\_\_\_

BO Account Number \_\_\_\_\_

**8. Occupation Details**

Occupation : Employed  Self Employed  Business  Professional  House - Wife  Others

(Tick whichever is applicable)

9. If Employed

Name of Employer: \_\_\_\_\_

Office Address: \_\_\_\_\_

City: \_\_\_\_\_ Pin Code: \_\_\_\_\_

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

Telephone Number (Office) \_\_\_\_\_ Fax No / Telex No: \_\_\_\_\_

10. If Self Employed / Business / Professional/Others

Name of the establishment: \_\_\_\_\_

Office Address: \_\_\_\_\_

City: \_\_\_\_\_ Pin Code: \_\_\_\_\_

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

Telephone Number (Office) \_\_\_\_\_ Fax No/Telex No: \_\_\_\_\_

**11. Financial details of the constituent:**

Income Range (Per Annum): (Tick where applicable)

- Below Rs. 1,00,000
- Rs. 1,00,000 To Rs. 5,00,000
- Rs. 5,00,000 To Rs. 10,00,000
- Rs. 10,00,000 To Rs. 25,00,000
- Above Rs.25,00,000

**12. Investment/Trading Experience**

No Prior Experience

\_\_\_\_\_ Years in Stocks

\_\_\_\_\_ Years in Derivatives

\_\_\_\_\_ Years in Other investment related fields

**13. Trading Preference**

A. Stock Exchanges on which you wish to trade (if the member is registered for such Exchanges):  
(Please tick in the relevant boxes)

- 1.
- 2.
- 3.

B. Market segments you wish to trade (if the member is registered for such segment):  
(Please tick in the relevant boxes)

- 1. Capital Market /Casli Segment
- 2. Derivatives Market
- 3. Debt Market

14. Whether registered with any other broker-member: (if registered with multiple members, provide details of all)

Name of Broker: \_\_\_\_\_

Name of Exchange: \_\_\_\_\_

C&entcodeno.: \_\_\_\_\_

15. Details of any action taken by SEBI/Stock exchange/any other authority for violation of securities laws/other economic offences.

**16 References**

Introduction: Introduced by another constituent / director or employee of trading member / any other person (please specify)

Name of the Introducer: \_\_\_\_\_  
(Surname) (Name) (Middle name)

Signature\_X \_\_\_\_\_

MAPIN UID No. of introducer, if any: \_\_\_\_\_

Name and designation of the employee who interviewed the client: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Designation)

Signature of the employee: \_X\_\_\_\_\_

**IT Declaration**

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

X

\_\_\_\_\_  
(Signature of the individual constituent)

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

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

## DOCUMENTARY REQUIREMENTS

Copies of the following documents may be obtained after due verification with the originals thereof

**For Proof of Identity (any one of the following)**

MAPIN UID Card  Pan No.  Passport  Voter ID   
Driving license Photo Identity card issued by Employer registered under **MAPIN**

**For Proof of Address (any one of the following):**

Passport  Voter ID  Driving license   
Bank Passbook  Rent Agreement  Ration Card   
Flat Maintenance Bill  Telephone Bill  Electricity Bill   
Certificate issued by employer registered under **MAPIN**  Insurance Policy

**For Office Purposes:**

Unique Constituent Code: \_\_\_\_\_  
(To Be Inserted By The Brokerage Firm)

Original documents  
Verified By \_\_\_\_\_ Authorised By: \_\_\_\_\_

LETTER FOR OPERATIONS OF ACCOUNT

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To,

Dear Sir,

**Sub: Our dealing on the Capital Market Segment of the BSE.**

With reference to the captioned subject I/We request you to kindly note the following points for smooth conduct of business operations:

1. You are requested to kindly note that the orders placed/modified/cancelled by me should NOT be noted in the order book, and that same is a time consuming affair and may lead to loss due to non-execution of the orders in the time due to the formalities involved.
2. I hereby authorise you to accept verbal instructions for placement/modification/ cancellation of orders and I expressly agree that once the trade confirmation is sent by you and / or contract note is accepted by me, there shall be no question in relation of execution or non-execution inappropriate execution of any of my orders for a particular trading day.
3. The contract notes issued by you may kindly not be posted/couriered to us, and the same shall be collected by me/us or my/ our representative from your office directly.
4. Please note that our account to be maintained with your shall be a running account, and the funds and securities due to me/ us are not to be paid immediately on payout but is to be retained by your in your demat beneficiary account until unless specifically demanded by us, and may be used for our future settlement obligations, margin liabilities, etc.
5. I/We am/are aware and have noted that you trade on your PRO/OWN account
6. I/We shall not indulge in any sub-broking activities nor issue bills/contracts/confirmation notes / to anyone else for the trades done on the BSE.
7. All fines/penalties and charges levied on you due to my/our transactions/deeds/actions may be recovered by you from my accounts.
8. My/our funds lying with your in the margin account may be used for the purpose of placing FDRs with Banks to be submitted to BSE and/or as margin FDRs for obtaining Bank Guarantee in favour of BSE/BSE Clearing House for which we hereby consent.

Thanking you.  
Yours faithfully

Signature : \_\_\_\_\_

Name of Client : \_\_\_\_\_

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

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

(To be signed in case of non-availability of PAN Card)

# FORM NO.60

(See third proviso to rule 114B)

**Form of Declaration to be filed by a person who does not have either a Permanent Account Number or General Index Register Number and who makes payments in cash in respect of transaction specified in clauses (a) to (h) of rule 114B**

1. Full name and address of the declarant \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Particulars of transaction \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Amount of the transaction \_\_\_\_\_

4. Are you assessed to tax? Yes/No

5. If yes,  
(i) Details of Ward/Circle/Range where the last return of income was filed. \_\_\_\_\_  
\_\_\_\_\_

(ii) Reasons for not having Permanent Account Number/General Index Register Number. \_\_\_\_\_  
\_\_\_\_\_

6. Details of the document being produced in support of address in column (1). \_\_\_\_\_  
\_\_\_\_\_

**Verification:**

I \_\_\_\_\_ do hereby declare that  
what is stated above is true to the best of my knowledge and belief.

Verified today, the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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

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

X \_\_\_\_\_  
Signature of the declarant

**Instructions:** documents which can be produced in support of the address are:-

- (a) Ration Card
- (b) Passport
- (c) Driving Licence
- (d) Identity Card Issued by any institution
- (e) Copy of the electricity bill or telephone bill showing residential address
- (f) Any document or communication issued by any authority of Central Government, State Government or local bodies showing residential address.
- (g) Any other documentary evidence in support of his address given in the declaration.



6. Date of commencement of business: \_\_\_\_\_

7. Nature of Business: \_\_\_\_\_

8. Registration number(with ROC, SEBI or any government authority) \_\_\_\_\_

9. Details of PAN Account Number: \_\_\_\_\_

10. Names of Promoters / Partners /Karta and residential address

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5. \_\_\_\_\_

\_\_\_\_\_

11. Names of whole time directors and residential address

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5. \_\_\_\_\_

\_\_\_\_\_

12. Names and Designation of persons authorized to deal in securities on behalf of the company/firm/others and their residential address

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5. \_\_\_\_\_

13. Details of any action taken by SEBI/Stock exchange/any other authority against the constituent or its Partners/promoters/whole time directors/authorized persons in charge of dealing in securities for violation of securities laws/other economic offences.

### Bank and Depository Account Details

14. Bank Name (through which transactions will generally be routed.) \_\_\_\_\_

Branch: \_\_\_\_\_

Address: \_\_\_\_\_

Account No: \_\_\_\_\_ Account Type: \_\_\_\_\_

(Copy of a canceled Cheque leaf/pass book/bank statement containing name of the *constituent should be submitted.*)

15. Depository Participant Name (through which transactions will be routed.) \_\_\_\_\_

Address: \_\_\_\_\_

B.O Account Number: \_\_\_\_\_

### 16. Investment/Trading Experience

No Prior Experience

\_\_\_\_\_ Years in Stocks

\_\_\_\_\_ Years in Derivatives

\_\_\_\_\_ Years in Other investment related fields

### 17. Trading Preference:

A. Stock Exchanges on which you wish to trade (if the member is registered for such Exchanges):  
(Please tick in the relevant boxes)

1.

2.

3.

B. Market segments you wish to trade (if the member is registered for such segment):  
(Please tick in the relevant boxes)

1. Capital Market /Cash Segment

2. Derivatives Market

3. Debt Market

18. Whether registered with any other broker-member: (if registered with multiple members, provide details of all)

Name of Broker: \_\_\_\_\_

Name of Exchange: \_\_\_\_\_ Client code no. (as given by the broker): \_\_\_\_\_

**19. References**

Introduction: Introduced by another constituent / director or employee of trading member / any other person (please specify)

Name of the Introducer: \_\_\_\_\_  
(Surname) (Name) (Middle name)

Signature  \_\_\_\_\_

MAPIN UID No. of introducer, if any: \_\_\_\_\_

Name and designation of the employee who interviewed the client: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Designation)

Signature of the employee:  \_\_\_\_\_

**20. Declaration**

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

Name: \_\_\_\_\_

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

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

**DOCUMENTARY REQUIREMENTS**

Copies of the following documents may be obtained after due verification with the originals thereof

1. Copies of the balance sheet for the last 2 financial years (copies of annual balance sheet to be submitted every year)
2. Copy of latest share holding pattern including list of all those holding more than 5% in the share capital of the company, duly certified by the company secretary/ Wholtime director/MD. (copy of updated shareholding pattern to be submitted every year)
3. Copies of the Memorandum and Articles of Association in case of a company / body incorporate / partnership deed in case, of a partnership firm
4. Copy of the Resolution of board of directors' approving participation in equity / derivatives / debt trading and naming authorized persons for dealing in securities.
5. Photographs of Partners/Whole time directors, individual promoters holding 5% or more, either directly or indirectly, in the shareholding of the company and of persons authorized to deal in securities.

## Agreement between Stock Broker and Client

This agreement is made and executed at \_\_\_\_\_ this \_\_\_\_\_

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between:

Mr./Ms/M/s. \_\_\_\_\_

\_\_\_\_\_

an individual/a sole proprietary concern/a partnership firm/a body corporate, registered/incorporated under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, being a member of the \_\_\_\_\_ Stock Exchange (hereinafter called "the Exchange"), and having his/her/its registered office at \_\_\_\_\_

\_\_\_\_\_

(hereinafter called "the stock broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include himself in the capacity of a trading member while trading in the derivatives segment, his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

And

Mr./Ms/M/s. \_\_\_\_\_

\_\_\_\_\_

an individual/a sole proprietary concern/a partnership firm/a body corporate, registered/incorporated, under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its residence/registered office at \_\_\_\_\_

\_\_\_\_\_

(hereinafter called "the client") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor

or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part; Whereas the stock broker is registered as the stock broker of the Exchange with SEBI registration number

\_\_\_\_\_ in the Capital Market/Cash Segment and

SEBI registration number \_\_\_\_\_ in the Futures and Options Segment.

Whereas the client is desirous of investing/trading in those securities/ contracts/other instruments admitted to dealings on the Exchange as defined in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time.

Whereas the client has satisfied itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.

Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided; and Whereas the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.

WHEREAS the stock broker and the client agree to be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.

Now, therefore, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the following terms and conditions:

1. The client agrees to immediately notify the stock broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker at the time of opening of the account or at any time thereafter.
2. The stock broker declares that it has brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a. He has read and understood the risks involved in trading on a stock exchange.
  - b. He shall be wholly responsible for all his investment decisions and trades.
  - c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
  - d. He is liable to pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
  - e. 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
3. The Client agrees to pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchange/SEBI.
5. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
6. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. 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.
7. The stock broker agrees that the money/securities deposited by the client shall be kept in a separate account, distinct from his/ its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars/ guidelines/Exchanges Rules/ Regulations/Bye-laws and circulars.
8. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition

- has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
9. The stock broker agrees to inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange.
  10. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result there from.
  11. The stock broker agrees that it shall co-operate in redressing grievances of the client in respect of transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.
  12. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
  13. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom it may have had transactions in securities.
  14. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.
  15. The stock broker hereby agrees that he shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him and the client and that he shall be liable to implement the arbitration awards made in such proceedings.
  16. Information about default in payment/delivery and related aspects by a client shall be brought to the notice of the relevant stock Exchange(s). 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 to the relevant stock exchange(s).
  17. The stock broker and the client agree to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
  18. The stock broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
  19. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.
  20. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
  21. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled.
  22. This agreement shall forthwith terminate; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled.
  23. The stock broker and the client shall be entitled to terminate this agreement 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 agreement 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.
  24. In addition to the specific rights set out in this Agreement, the stock broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued thereunder or Rules and Regulations of SEBI.
  25. Words and expressions which are used in this Agreement, 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 of the Exchange and circulars issued thereunder.

26. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.

27. The stock broker hereby undertakes to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it shall not disclose the same to any person/ authority except as required under any law/regulatory requirements; Provided however that the stock broker may so disclose information about its his client to any person or authority with the express permission of the client.

This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

IN WITNESS THEREOF the parties to the Agreement have caused these presents to **be executed as of the day and year** first above written.

The client's Signature/ Authorised Signatory:

The stock broker's Signature/Authorised Signatory:

Signed by:X

Signed by:X

Title:

Title:

Name of the client:

Name of the stock broker:

Witness:

Witness:

1.X

1.X

2.X

2.X

Note: All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between the parties.

**Annexure 3**  
**TRIPARTITE AGREEMENT BETWEEN**  
**STOCK BROKER, SIF BBROKER AND CLIENT**

This Agreement (hereinafter referred to as "Agreement") is entered into on this \_\_\_\_\_  
day of \_\_\_\_\_ 20\_\_\_\_\_, by and between \_\_\_\_\_

\_\_\_\_\_ (name of the stock broker)

(hereinafter referred to as "the stock broker"), a \_\_\_\_\_ (type of entity)

and having his/its office/registered office at \_\_\_\_\_

\_\_\_\_\_ (address),

which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

AND

\_\_\_\_\_ (name of the sub-broker)

(hereinafter referred to as "the subbroker"), a \_\_\_\_\_ (type of entity)

and having his/its office/registered office at \_\_\_\_\_

\_\_\_\_\_ (address),

which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Second Part;

AND

\_\_\_\_\_ (name of the client of the sub-broker)

(hereinafter referred to as "the client"), an individual/a \_\_\_\_\_ (type of entity)

and having his /its residence/office/ at \_\_\_\_\_

\_\_\_\_\_ (address)

which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Third Part;

WHEREAS

1. The stock broker states that it is engaged, in the business of stock broking and is a Member of \_\_\_\_\_  
 \_\_\_\_\_ (Name of stock exchange/s), (hereinafter referred to as "the stock exchange") with SEBI registration  
 Number(s) \_\_\_\_\_
2. The sub-broker states that:
  - a) The sub broker is recognized by \_\_\_\_\_ {Name of the stock exchange(s)}  
 as a sub-broker affiliated to the stock broker of the stock exchange with sub-broker SEBI registration Number (s) \_\_\_\_\_
  - b) The sub-broker is not affiliated to any other member of the same stock exchange,
  - c) The sub-broker has the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge his/its activities.
3. The Client is registered with the sub-broker as a client for purpose of availing broking services through the sub-broker affiliated to the stock broker and is desirous of investing/trading in those securities/contracts/other instruments admitted to dealings on the Exchange as defined in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time. A copy of the Client Registration form is annexed hereto.
4. Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided; and
5. Whereas the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's/ sub broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker/ sub broker acts.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN STOCK BROKER, SUB-BROKER AND CLIENT AS UNDER:**

1. The stock broker and sub broker hereby acknowledge and confirm that the sub-broker is affiliated to the stock broker and that the sub-broker shall within the scope of the authority given under these presents, be entitled to act as a 'sub-broker' within the meaning and subject to SEBI (Stock Brokers and Sub-Brokers) Rules, 1992 and SEBI (Stock Brokers and Sub-Brokers) Regulations 1992 (hereinafter referred to as the said "Rules" and "Regulations" respectively) as amended from time to time, for assisting the client in buying, selling or dealing in securities through the stock broker.
2. The stock broker, the sub-broker and the client agree that they shall abide by all the statutory responsibilities and obligations imposed on them by the rules, regulations and / or any other rules or regulations applicable to the stock brokers, the sub-brokers and the clients in general either framed by SEBI or by the relevant stock exchange/clearing corporation and/or any Government Circulars.
3. The stock broker and the sub broker declare that they ha<sup>w</sup>e brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a. He has read and understood the risks involved in trading on a stock exchange.
  - b. He shall be wholly responsible for all his investment decisions and trades.
  - c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
  - d. He is liable to pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
  - e. 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
4. The Client agrees to pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker \ the sub-broker renders to the Client. The stock broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and byelaws of the relevant stock exchange/SEBI.
5. The stock broker and the sub broker agree that they shall co-operate and help each other in redressing grievances of the client in respect of transactions routed through them and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the clients of subbroker from the member and vice-versa.
6. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
7. The stock broker agrees that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars/ guidelines/Exchanges Rules/Regulations/ Bye-laws and circulars.
8. The stock broker and the sub-broker agree that each of them shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through them and they shall not jointly or severally do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
9. The stock broker agrees to inform the sub-broker/client and keep them 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 sub-broker/client to comply with such schedules/procedures of the relevant stock exchange.
10. The sub broker will provide assistance to stock broker and client to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.

11. The stock broker shall issue, individually for each client of his sub broker, contract notes in the format prescribed by the relevant stock exchange. The sub-broker shall render necessary assistance to his client in obtaining the contract note from the stock broker.
12. The stock broker, the sub-broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.
14. The stock broker and the sub-broker hereby agree that they will assist and cooperate with each other in ensuring faster settlement of any arbitration proceedings arising out of the transactions entered into between them vis-à-vis the client and they shall be jointly or severally liable to implement the arbitration awards made in such proceedings. In case of an award against a sub broker, if the sub broker fails to implement the award, the stock broker shall be liable to implement the same and would be entitled to recover the same from the sub broker.
15. The stock broker and the sub-broker hereby agree that all transactions in securities on behalf of the clients of the sub-broker shall be settled by delivery and/or payment, between the stock broker and the client in accordance with the provisions of rules, bye-laws and regulations of the relevant stock exchange on which the transactions took place and subject to the procedures for settlement of transactions laid down by the relevant stock exchange from time to time.
16. Information about default in payment/delivery and related aspects by a client, including that of a sub broker as a client shall be brought to the notice of the relevant stock Exchange(s) by the stock broker. In case where defaulting sub broker/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 to the relevant stock exchange(s) by the stock broker.
17. The stock broker, the sub-broker or the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties at their respective addresses mentioned below. 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 agreement 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.
18. In the event of sub broker terminating this agreement and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the agreement governing the client and stock broker shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate the agreement by giving a notice in writing of not less than one month.
19. This agreement shall forthwith terminate;
  - (i) if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled;
  - (ii) upon the demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or /withdrawal of recognition of the sub-broker by the stock exchange. Provided however, in such an event, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the agreement governing the client and stock broker shall continue to be in force as it is, unless the client intimate to the stock broker or the stock broker intimates to the client his/its intention to terminate the agreement by giving one month notice in writing.
20. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.
21. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result therefrom.
22. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. 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. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.
24. Where the Exchange 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)
25. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
26. The client agrees to immediately notify the stock broker/sub broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker/sub broker at the time of opening of the account or at any time thereafter.
27. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
28. In addition to the specific rights set out in this Agreement, the stock broker, the sub-broker and the client shall be entitled to exercise any other rights which the stock broker, sub broker or the client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued thereunder or Rules and Regulations of SEBI.
29. The stock broker and the sub-broker hereby undertake to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements: Provided however that the stock broker or subbroker may so disclose information about his client to any person or authority with the express permission of the client.
30. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
31. Words and expressions which are used in this Agreement, 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 of the Exchange and circulars issued thereunder.

This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and signatures on the day, month and year first above written Signed for and on behalf of the member, the sub-broker and the client

<b>Member</b> (Full name details of membership of the stock exchange and address)	<b>Sub-broker</b> Full name and details of recognition of the stock exchange and address	<b>Client</b> Full details and address

## COMBINED RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET/ CASH SEGMENT AND FUTURES & OPTIONS SEGMENT

(TO BE GIVEN BY THE BROKER TO THE CLIENT)

This document is issued by the member of the National Stock Exchange of India (hereinafter referred to as "NSE") /The Stock Exchange, Mumbai (hereinafter referred to as "BSE") which has been formulated by the Exchanges in coordination with the Securities and Exchange Board of India (hereinafter referred to as "SEBI") and contains important information on trading in Equities and F&O Segments of NSE / BSE. All prospective constituents should read this document before trading on Capital Market/Cash Segment or F&O segment of the Exchanges.

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

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

You must know and appreciate that investment in Equity shares, derivative or other instruments traded on the Stock 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 NSE/BSE and suffer adverse consequences or loss, you shall be solely responsible for the same and NSE/BSE, its Clearing Corporation/Clearing House and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The constituent shall be solely responsible for the consequences and no contract can be rescinded on that account. You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a security or derivative being traded on NSE/BSE.

It must be clearly understood by you that your dealings on NSE/BSE through a member shall be subject to your fulfilling certain formalities set out by the member, which may interalia include your filling the know your client form, client registration form, execution of an agreement, etc., and are subject to the Rules, Byelaws and Regulations of NSE/BSE and its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by NSE/BSE or its Clearing Corporation/Clearing House and in force from time to time.

NSE/BSE 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 trading member and/or sub-broker of NSE/BSE and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/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 or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

### 1. BASIC RISKS INVOLVED IN TRADING ON THE STOCK EXCHANGE (EQUITY AND OTHER INSTRUMENTS)

#### 1.1 Risk of Higher Volatility:

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

#### 1.2 Risk of Lower Liquidity:

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

1.2.t Buying/selling without intention of giving and/or taking delivery of a security, as part of a day trading strategy, may also result into losses, because in such a situation, stocks may have to be sold/purchased at a low/high prices, compared to the expected price levels, so as not to have any obligation to deliver/receive a security.

#### 1.3 Risk of Wider Spreads:

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

#### 1.4 Risk-reducing orders:

Most Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc". The 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.

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

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

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

#### 1.5 Risk of News Announcements:

Issuers make news announcements that may impact the price of the securities / 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 security / contract.

#### 1.6 Risk of Rumours:

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

#### 1.7 System Risk:

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

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

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

#### 1.8 System/Network Congestion:

Trading on NSE/BSE is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond 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 and Options segment is concerned, please note and get yourself acquainted with the following additional features:-

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

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

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

A. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index. If the index 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 next day.

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

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

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

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

#### 2.2 Risk of Option holders

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

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

#### 2.3 Risks of Option Writers

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial

amount.

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

### 3. GENERAL

#### 3.1 Commission and other charges

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

#### 3.2 Deposited cash and property

You should familiarise yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. 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, the same shall be subject to arbitration as per the byelaws/regulations of the Exchange.

3.3 For rights and obligations of the clients, please refer to Annexure-1 enclosed with this document.

3.4 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a member for the purpose of acquiring and/or selling of securities through the mechanism provided by NSE/BSE.

3.5 The term 'member' shall mean and include a trading member, a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.

I hereby acknowledge that I have received and understood this risk disclosure statement and Annexure-1 containing my rights and obligations.

Customer Signature  
(If Partner, Corporate, or other  
Signatory, then attest with company seal.)

DD MMM YYYY

## ANNEXURE-1

### INVESTORS' RIGHTS AND OBLIGATIONS:

- 1.1 You should familiarise 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 stock market or the broking firm's insolvency or bankruptcy.
- 1.1.1 Please ensure that you have a documentary proof of your having made deposit of such money or property with the member, stating towards which account such money or property deposited.
- 1.1.2 Further, it may be noted that the extent to which you may recover such money or property may be governed by the Bye-laws and Regulations of NSE/BSE and the scheme of the Investors' Protection Fund in force from time to time.
- 1.1.3 Any dispute with the member with respect to deposits, margin money, etc., and producing an appropriate proof thereof, shall be subject to arbitration as per the Rules, Byelaws/Regulations of NSE/BSE or its Clearing Corporation / Clearing House.
- 1.2 Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.
- 1.3 You should exercise due diligence and comply with the following requirements of the NSE/BSE and/or SEBI:
  - 1.3.1 Please deal only with and through SEBI registered members of the Stock Exchange and are enabled to trade on the Exchange. All SEBI registered members are given a registration no., which may be verified from SEBI. The details of all members of NSE/BSE and whether they are enabled to trade may be verified from NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com)).
  - 1.3.2 Demand any such information, details and documents from the member, for the purpose of verification, as you may find it necessary to satisfy yourself about his credentials.
  - 1.3.3 Furnish all such details in full as are required by the member as required in "Know Your Client" form, which may also include details of PAN or Passport or Driving Licence or Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by SEBI/NSE at any time, as is available with the investor.
  - 1.3.4 Execute a broker-client agreement in the form prescribed by SEBI and/or the Relevant Authority of NSE or its Clearing Corporation / Clearing House from time to time, because this may be useful as a proof of your dealing arrangements with the member.
  - 1.3.5 Give any order for buy or sell of a security in writing or in such form or manner, as may be mutually agreed. Giving instructions in writing ensures that you have proof of your intent, in case of disputes with the member.
  - 1.3.6 Ensure that a contract note is issued to you by the member which contains minute records of every transaction. Verify that the contract note contains details of order no., trade number, trade time, trade price, trade quantity, name of security, client code allotted to you and showing the brokerage separately. Contract notes are required to be given/sent by the member to the investors latest on the next working day of the trade. Contract note can be issued by the member either in electronic form using digital signature as required, or in hard copy. In case you do not receive a contract note on the next working day or at a mutually agreed time, please get in touch with the Investors Grievance Cell of NSE/BSE, without delaying.
  - 1.3.7 Facility of Trade Verification is available on NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com)), where details of trade as mentioned in the contract note may be verified from the trade date upto five trading days. Where trade details on the website, do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of NSE/BSE.
  - 1.3.8 Ensure that payment/delivery of securities against settlement is given to the concerned member within one working day prior to the date of pay-in announced by NSE/BSE or it's Clearing Corporation / Clearing House. Payments should be made only by account payee cheque in favour of the firm/company of the trading member and a receipt or acknowledgement towards what such payment is made be obtained from the member. Delivery of securities is made to the pool account of the member rather than to the beneficiary account of the member.
  - 1.3.9 In case pay-out of money and/or securities is not received on the next working day after date of pay-out announced by NSE/BSE or its Clearing Corporation / Clearing House, please follow-up with the concerned member for its release. In case pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investors' Grievance Cell of NSE/BSE.
  - 1.3.10 Every member is required to send a complete 'Statement of Accounts', for both funds and securities settlement to each of its constituents, at such periodicity as may be prescribed by time to time. You should report errors, if any, in the Statement immediately, but not later than 30 calendar days of receipt thereof, to the member. In case the error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE/BSE, without delaying.
  - 1.3.11 In case of a complaint against a member/registered sub-broker, you should address the complaint to the Office as may be specified by NSE/BSE from time to time.
- 1.4 In case where a member -surrenders his membership, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE/NSCCL/Clearing House within the stipulated period and with the supporting documents.
- 1.5 In case where a member is expelled from trading membership or declared a defaulter, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE within the stipulated period and with the supporting documents.
- 1.8 Claims against a defaulter/expelled member found to be valid as prescribed in the relevant Rules/Bye-laws and the scheme under the Investors' Protection Fund (IPF) may be payable first out of the amount vested in the Committee for Settlement of Claims against Defaulters, on pro-rata basis if the amount is inadequate. The balance amount of claims, if any, to a maximum amount of Rs.10 lakhs per investor claim, per defaulter/expelled member may be payable subject to such claims being found payable under the scheme of the IPF.

#### Notes:

1. The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a trading member of NSE/BSE for the purpose of acquiring and / or selling of securities through the mechanism provided by NSE/BSE.
2. The term 'member' shall mean and include a member or a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.
3. NSE/BSE may be substituted with names of the relevant exchanges, wherever applicable.

Annexure 5

**STOCK BROKER AND SUB-BROKER AGREEMENT**

This Agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_

200\_\_\_\_\_ at \_\_\_\_\_

between \_\_\_\_\_

Member of the \_\_\_\_\_ Stock Exchange, ordinarily carrying on business in sale and purchase of shares and securities in the name and style of \_\_\_\_\_

from \_\_\_\_\_

(hereinafter referred to as "the stock broker") and having his/its office/registered office at \_\_\_\_\_

\_\_\_\_\_ (address),  
which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

And

\_\_\_\_\_

an entity desiring to start business as a sub broker in shares and securities in the name and style of \_\_\_\_\_

\_\_\_\_\_

(hereinafter referred to as "the subbroker".) and having his/its office/registered office at \_\_\_\_\_

\_\_\_\_\_ (address),  
which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part;

WHEREAS the said stock broker is a member of \_\_\_\_\_  
Stock Exchange (hereinafter referred to as "the said exchange") and also holds a certificate of registration granted under Rule 4 of the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Rules, 1992 (hereinafter referred to as "the said Rules") & the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as "the

said Regulations"); bearing SEBI Registration Number. \_\_\_\_\_

AND

WHEREAS the sub-broker is desirous of affiliating to the stock broker and is hereby eligible for making an application for seeking recognition of the stock exchange and for grant of a certificate of registration under rule 5 of the said rules; WHEREAS in terms of item (C) (4) the Code of Conduct for sub brokers prescribed under of Schedule II read with regulation 15(1) (c) and regulation 17(1) (m) of the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, the stock broker and the sub-broker are required to enter into an agreement with each other specifying the scope of their authority & responsibility, in relation to the business of dealing in securities between them; AND

WHEREAS the sub-broker has declared:

(a) that he/it is presently affiliated as a sub broker with the stock broker(s) of the following stock exchanges other than the said exchange:

Name of the affiliated stock broker	Name of the stock exchange	SEBI Registration number of the stock broker	SEBI Registration number of the sub broker

and the broker(s) mentioned under column (1) of the above table has/have given 'No Objection Certificate(s)(NOC)' to the present Sub-broker to get affiliated to the stock broker & seek recognition with the said exchange and registration with SEBI.

(b) that he is not affiliated to any other stock broker of the said exchange; and

(c) that he/it has direct/indirect interest in the stock brokers/ sub brokers of stock exchange detailed hereunder:

Name & SEBI Reg. No. of Broker(s) directly or indirectly related to the subbroker	Name & SEBI Reg. No. of sub broker(s) directly or indirectly related to the sub broker	Name & SEBI Reg. No. of broker(s) with whom the sub broker mentioned at column (2) is affiliated	Name of the stock exchange	Nature of interest (i.e. as director or shareholder) Also state % of shareholding

**Note 1:** A Sub-broker is deemed to have direct/indirect interest in other Sub-broker (Stock Broker) for purposes of this clause, in the following circumstances:

- (i) Where he is an individual, he or any of his relatives being a Sub-broker (Stock Broker), he or any of his relative being partner in a Sub-Broking firm (Stock Broking Firm), he or any of his relative being a director in a Sub-broking Company (Stock Broking Company) or he or any of his relatives clubbed together holding substantial equity in any Sub-broking Company,
- (ii) Where it is Partnership Firm/Company, the relative(s) of partners/directors in the Firm/Company being a Sub-broker (Stock Broker) or being partner(s)/director(s) in a Sub-broking Firm/Company (Stock Broking Firm/Company) or the same set of shareholders holding substantial equity in other Sub-broking(Stock Broking) entity.

**Note 2 :** Relative for the above purpose shall mean husband, wife, brother, unmarried sister or any linear ascendant or descendent of an individual.

**NOW THEREFORE this agreement witnesseth as follows:**

1. The stock broker and the sub broker hereby acknowledge and confirm that the subbroker is affiliated to the stock broker and that the sub-broker shall within the scope of the authority given under these presents, be entitled to act as a 'sub-broker' within the meaning and subject to SEBI (Stock Brokers & Sub-Brokers) Rules, 1992 and SEBI (Stock Brokers & Sub-Brokers) Regulations 1992 (the said "Rules" and "Regulations" respectively) as amended from time to time, for assisting the client in buying, selling or dealing in securities through the stock broker.
2. The stock broker and the sub broker agree that irrespective of the date of agreement, the sub broker will commence business only after receipt of registration certificate from SEBI, continue business during currency of the certificate and will stop business as a sub broker from the date of termination of the agreement.
3. The stock broker agrees that he/it shall not, except with the previous consent of the sub-broker, commit on the latter's behalf transactions in securities in excess of the amount mutually agreed upon in writing from time to time. The sub broker also agrees that he/it shall not commit transactions in securities through the stock broker in excess of the amount mutually agreed upon in writing from time to time.
4. The stock broker agrees that he/it shall not resort to unfair means of weaning away the clients of the sub broker.
5. The stock broker and the sub broker agree to share the brokerage/commission between them in terms of their mutual understanding. Provided however, the brokerage/commission payable to the sub-broker shall not exceed one and one half percent of the value of transactions carried out by the sub broker for clients.
6. The stock broker agrees to maintain a separate record including accounts in respect of the dealings in securities entered into on behalf of the individual client's dealing, with bifurcation showing the details by each of the sub brokers.
7. If any dispute arises between the stock broker and the sub-broker, the same shall as far as possible be settled with the help of the officials of the said exchange and if no such settlement is possible the parties hereby agree to refer such dispute to arbitration in accordance with the Rules, Bye-laws and Regulations of the said exchange. The stock broker and the sub-broker hereby agree that they shall cooperate with the said exchange officials and provide all relevant documents in their possession or control so as to expedite the settlement or adjudication through arbitration process.
8. The sub-broker shall inform the stock broker of any proposed material change in its status and constitution, before seeking prior approval for the same from SEBI.
9. The stock broker and the sub-broker shall be entitled to terminate this agreement without giving any reasons to the other party after giving notice in writing of not less than one month to the other party at its respective address mentioned below. Provided however that, in the event of the sub broker terminating the agreement and/or termination of the sub broker by the stock broker, for any reason whatsoever, all his clients shall be deemed to be the direct clients of the stock broker and all clauses in the tripartite agreement between the stock broker, the sub broker and client governing the client and stock broker shall continue to be in force as it is, unless any client intimates to the stock broker or the stock broker intimates to the client his/its intention to terminate the agreement by giving a notice in writing of not less than one month.
10. Where the stock broker has terminated his/its agreement with the sub broker, the stock broker shall inform the relevant stock exchange (s).
11. This agreement shall forthwith stand terminated;
  - (i) if the stock broker for any reason ceases to be a member of the stock exchange including by cessation of membership by reason of the stock broker's, death, resignation, expulsion or having being declared a defaulter or if the certificate issued by the Board is cancelled;
  - (ii) upon the demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or /withdrawal of recognition of the sub-broker by the stock exchange.
12. On termination of the agreement by the stock broker, it shall be the duty of the stock broker to collect and forward the registration certificate of the sub-broker to SEBI through the stock exchange along with all the fees in arrears in respect of the subbroker's registration as required under Part II of schedule III of SEBI (Stock Broker and Sub-broker) Regulations 1992 and the sub-broker agrees to co-operate with the stock broker in carrying out the said duty.
13. In the event of surrender of the sub broker registration, the affiliating broker shall ensure that investors/general public are informed about surrender of registration of the sub broker. A public advertisement to that effect shall be required to be issued by the stock broker in a local newspaper where the sub broker's Registered office, Head Office/Corporate office is situated and another in English daily news paper with wide circulation

IN WITNESS WHEREOF, the parties hereto have set their hands and signatures on the day, month and year first above written

Signed for and on behalf of

Signed for and on behalf of

Stock Broker: \_\_\_\_\_

Subf Broker: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Signature: X \_\_\_\_\_

Signature :X \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: X \_\_\_\_\_

Witness :X \_\_\_\_\_