

# RMS POLICY

## Funds

### System of Payin and Payout of funds:

**1. Pay In:** Clients can transfer funds into the Trading Account only from such bank accounts which are registered with us. Any transfer from a non-registered bank account will not be considered and the client does not get any trading limit credit for such transfers.

- a) The client can transfer funds from the instant payment gateway facility available on the trading platform or on the back office. Such transfers will be charged at Rs 9/- per transfer to atom technologies limited. There is no charge levied at our end.
- b) If a client chooses to transfer using NEFT/RTGS or by means of cheque, there will be no cost.

**2. Pay out:** All payouts will have to be compulsorily placed on the Front Office Software provided to the clients. All payout requests will be processed electronically and the credit shall come to the client's primary bank account within 24 hours of having processed the payout request.

- a) The payout window for EQ/Currency is before 8:00 PM every day - requests placed before 8:00 will be honored the next day. Requests placed after 8:00 PM will be honored in two days.
- b) The payout window for Commodities is 9:00 AM every day - requests placed before 9:00 AM will be honored on the same day. Requests placed after 9:00 AM will be honored the next day.
- c) Payout windows are closed on Saturday and Sunday - this means if you place a request on Saturday or Sunday or before 8:00 PM on Friday, it will be honored only on Monday.

# Margin Policy:

The margin policy for trading is as under:

Margin Policy can change at any point of time based on market volatility.

## 1. Stocks or Equity or Shares Trading

### Intraday Equity:

When you take a trade in equity and square the position off before the end of day, it is called as intraday equity trading. Since you don't carry the position overnight, we provide you a margin or leverage of between 4 to 8 times on around 250 liquid stocks to trade for intraday. While trading Equity, you can use 3 product types.

### MIS (Margin Intraday Square off)

When you use this product type, you commit on keeping the trade intraday and hence we give you a leverage between 4 to 8 times based on the risk and volatility of the stock. Our margin calculator tool has a list of all stocks and the MIS leverage you get. You cannot carry MIS positions to the next day

When you take a trade using product type as MIS, if you don't exit it on your own it will be squared off at 3.15 pm. from our RMS.

### CO (Cover Orders)

Cover orders is a unique feature where you can trade intraday using market orders but with a definite and compulsory stop loss. Since the risk with such a position is low, the margin required is less and hence the leverage higher. When you trade intraday using cover orders, the leverage you get vary from 6 to 20 times (twice as much as MIS). But again all open positions get squared off around 3.15 p.m. You cannot carry forward cover order positions to the next day

### BO (Bracket Orders)

A type of order where you can enter a new position along with a target/exit and a stoploss order. As soon as the main order is executed the system will place two more orders (profit taking and stoploss). When one of the two orders (profit taking or stoploss) gets executed, the other order will get cancelled automatically. Bracket Order positions get additional leverage since the risk is covered by the compulsory Stoploss that you place while entering a position. The margin required would be based on the quantum of your SL, and in the range of 2 % to 2.5% of the entire contract value. This is an Intraday product, so all Bracket Order (BO) positions will be squared off around 3:15 PM. You cannot carry forward bracket order positions to the next day.

### **Delivery Equity:**

When you buy stock and hold it overnight, it is called a delivery trade. you need to use product type as CNC (Cash N Carry) while placing a trade to take delivery of equity stock, client requires 100% Margin.

We provide no leverage when you are executing delivery trades which mean that if you want to buy Rs 1lac of stock as CNC, you will need this Rs 1lac in your trading account and similarly if you want to sell Rs 1lac of shares with product type as CNC, you will need these shares in your demat account mapped to your trading account.

## **2. Futures Trading – Equity (Stock & Index), Currency & Commodity**

Futures as such are inherently leveraged which means that to buy X amount of futures you need only a small portion of it called as margin in your account. This margin to buy futures is stipulated by the various exchanges.

For NSE F&O, settles with exchange on T+0 and hence has the lowest futures margin requirement.

While trading futures you can use 3 product types:

### **NRML (Normal)**

To take position as NRML you will need the complete exchange stipulated margin, but once you take a position as NRML you can hold the position till expiry.

### **MIS (Margin Intraday Square off)**

MIS is used by intraday traders as all open positions get squared off before the end of day. But since no position is carried forward overnight the margin required is also lesser than the exchange stipulated margins.

For equity & Index futures, MIS margin: 40% of NRML margin, all MIS positions squared off at 3.15 pm.

For Commodity futures, MIS margin: 50% of NRML margin, all MIS positions squared off 20 minutes before market closing

For Currency futures, MIS margin: 50% of NRML margin, all MIS positions squared of at 4.45pm.

### **CO (Cover orders)**

Cover orders is a unique feature where you can trade intraday using market orders but with a definite and compulsory stop loss. Since there is a stop loss placed, the risk of the position reduces and hence the margin required to take it reduces as well.

Using cover orders, you can trade futures with lesser margins than NRML and MIS.

## **BO (Bracket Orders)**

Bracket orders is a unique feature where you can trade intraday using market orders but with a definite and compulsory stop loss along with a target/exit. Since there is a stop loss placed, the risk of the position reduces and hence the margin required to take it reduces as well.

Using Bracket orders, you can trade futures with lesser margins than NRML and MIS.

All the required NRML, MIS, BO and CO margins are updated on our Equity futures margin calculator, Currency Futures Margin calculator and Commodity futures margin calculator daily.

## **3. Options Trading - Equity (Stock & Index) & Currency**

### **Option buying:**

If you are buying calls or puts of any contract, the premium required to buy them has to be present in your trading account. You can trade options either with product type as NRML or MIS, but since there is no additional leverage provided if you use product type as MIS, it is advisable not to use MIS while buying options since all MIS positions would get squared off before the close of markets.

### **Option Writing/Shorting:**

When you short an option, the margin required depends on various aspects like underlying, expiry, volatility and more.

You can short option either using the product type as NRML or MIS. The SPAN calculator tool lets you know the margin required to hold overnight or NRML margin, if you trade using MIS you need 40% of that margin.

## **Important**

1. The settlement cycle in India is T+1 day in case of F&O (Equity Derivative, Commodity, Currency) and T+2 day for Equity delivery. What this means is that any profits from F&O positions gets credited only the next day, and any sale credits from equity delivery trades happen on T+2 day. The realised profit on Intraday also credited by exchange on T+1 day. This credit is not available for you to trade intraday in NRML because there might be a short margin penalty applicable if you carry forward positions using this non-realized profit. However, credit on realised profit you may use in MIS product.
2. Collateral against option buy not allowed
3. Cash Margin Negative, Collateral is lying then after hair cut cannot buy against collateral
4. When client sell stock from Demat then that limit release to CNC, MIS, BO & CO Product

For all intraday positions MIS, BO & CO, even though we run square offs, the onus is on you the client to ensure all MIS, BO & CO positions are squared before market closing.

# Margins

**Client Funding:** We are not engaged in the business of Client Funding. Clients are required to have sufficient balance in their accounts to hold/carry forward positions.

**NSE/BSE Equity:** We have policy of giving up to 4 to 8 times exposure on a broad spectrum of stocks, no margin is given for delivery trades. The client needs to have enough money in his trading account to take delivery of shares failing which we can cut the position. Comprehensive real-time margins with us.

Product type	Name	Used for
CNC	Cash and Carry	Delivery trade using CNC with no leverage. Once bought, shares will get delivered to your demat account and if sold, shares will get debited from your demat account.
MIS	Margin Intraday Square off	Intraday trade using MIS for additional leverage between 9:15 AM and 3:15 PM. All open MIS positions get squared off at 3:15 PM.
CO	Cover Orders	Intraday trade using CO for additional leverage between 9:15 AM and 3:15 PM. All open CO positions get squared off at 3:15 PM.
BO	Bracket Orders	Intraday trade using BO for additional leverage between 9:15 AM and 3:15 PM. All open BO positions get squared off at 3:15 PM.

## \*MIS/CO/BO square off timings:

Item	Equity/Cash	Futures	Currency futures	Commodity
Intraday Margin Time (MIS, BO and CO)	3:15	3:15	4:45	20 Minutes before Close

\*Note: Intraday square off timings can change based on the discretion of our risk management department.

If any intraday position or an MIS trade is not squared off on the same day due to any link or system failure or any risks associated with internet/wireless based trading which may occur at the end of the Client, Stock Broker/Trading Member or the respective Exchange, it shall be treated as a Cash and Carry ("CNC") or NRML position and carried forward to the next trading day. In case of such a situation arising, the onus of squaring off the position will be on the Client. Our RMS desk shall square off any such position, without the requirement of a margin call, if the necessary cash is not available in the Client's account.

**NSE/BSE Futures and Options:** We are not engaged in the business of Client Funding. Clients are required to have sufficient balance in their accounts to hold/carry forward positions.

**NSE/BSE Futures and Options:** Leverage provided here is subject to market conditions and changes in its proportion are dynamic. Currently 40% of Total margin (Span+ Exposure) is required to trade intraday (MIS) FO Margin and 100% of Total margin (Span+ Exposure) is required to carry forward (NRML) positions. Comprehensive real-time margins with us.

Product type	Name	Used for
NRML	Normal	Overnight/positional or intraday trade futures using NRML with margins mentioned below. Once a position taken as NRML, it can be held till the expiry provided the requisite NRML margin present in the trading account.
MIS	Margin Intraday Square off	Intraday trade using MIS for additional leverage (40% of NRML margin) between 9:15 AM and 3:15 PM. All open MIS positions get squared off at 3:15 PM.
CO	Cover Order	Intraday trade using CO for additional leverage with strict stop loss between 9:15 AM and 3:15 PM. All open CO positions get squared off at 3:15 PM.
BO	Bracket Orders	Intraday trade using BO for additional leverage between 9:15 AM and 3:15 PM. All open BO positions get squared off at 3:15 PM.

**NSE/MSE Currency:** 50% of total margin (Span+Exposure) is required to trade intraday (MIS) and carry forward positions will require 100% of Total Margin (Span+Exposure).

**MCX Commodities:** Intraday (MIS) trading is allowed in all Non Agri products. Leverage provided is subject to market conditions and changes in its proportion are dynamic. Currently 50% of SPAN + Exposure is required to trade intraday. Carry Forward (NRML) positions require 100% SPAN + Exposure

**Cover Orders:** Currently available for NSE/BSE/NSE Equity and FO typically the margin benefit under this is higher relative to MIS positions.

**Bracket Orders:** Currently available for NSE/BSE/NSE Equity and FO typically the margin benefit under this is higher relative to MIS positions.

## Note:

1. Position squared off due to insufficient fund Rs. 18/- of Brokerage per executed order will become applicable in addition to Regular Brokerage.
2. Option premium received from writing options will not be considered as Cash/Capital.
3. Cover Order/Bracket Order is not available on currency future & options.
4. Cover Order/Bracket Order is not available for stock options.
5. Cover Order/Bracket Order is not available on Commodity future & options.
6. Positions which do not have sufficient funds can be cut any time at the discretion of our RMS desk. There will be no margin calls or intimation from our RMS desk.
7. All positions will be subject to square off if your losses exceed 80% of the available funds in your account. Member shall be entitled to liquidate / close out/square off all positions entirely or any part of the Client's positions if the mark to market loss on your outstanding position exceed 80% of the amount lying to the credit in your account. This will be done at the discretion of our RMS team and there will be no margin call.
8. Collateral margin will not be considered for equity delivery positions.
9. All CO, BO & MIS positions will be squared off at the end of the each trading day.
10. Trading in MCX contracts will be banned a day prior to the delivery intention period.
11. Basket orders will not be allowed on penny stocks.

12. AMO will be cancelled if the price entered is more than 10% away from the LTP in either direction.
13. Fines levied by the exchange for short margin will be payable by the client.
14. Clients will have to ensure all MIS, CO,BO and intraday products are closed by the EOD.
15. Payments will only be accepted from the client's registered bank account. Payment through cash and DD pay in are not accepted.
16. Commodities with staggered delivery will be closed 10 days prior to the delivery date in order to avoid physical delivery, also commodities with compulsory delivery will be closed a day before their respective delivery intention periods.
17. On the start of the delivery intention period, clients will not be informed before closing any open positions to avoid compulsory delivery notice. Clients are advised to close their positions well in advance.
18. For Commodities, on the start of delivery intention period, no contract will be available under NRML, MIS, BO or CO product type.
19. BO and CO is not allowed in preopen for Equities.
20. Security in ban period for F&O segment will not be available under MIS, NRML and CO product type.
21. Physical Delivery of Commodities is not allowed.
22. Because of illiquidity of options contracts, Option trading is allowed in few strike price options only
23. Because of illiquidity of stock option contracts, market orders have been disabled on stock options. Only limit orders are allowed. Place a limit buying order higher than the current price or selling order below the current price, this will act as good as market order but will also protect from any impact cost due to illiquidity.
24. Instruments available for trading at Stock Broker/Trading Member are subject to the discretion of the risk management team, and these may change from time to time for various reasons.
25. In MIS Product, any scrip/contract belonging to MIS Basket hit upper/lower circuit and client having against position in that particular scrip/contract then RMS will reserve the right to square off the position before 3:15 before it hits upper/lower circuit

All information mentioned here is subject to change at the discretion of our Risk management team.

## Collateral Margins

1. For all pledge requests placed before 1:00 PM, the collateral margin will be available to trade on T+1 day (next working day). All requests placed after 1:00 PM will be processed only on the next working day.
2. Margins will be provided after the applicable haircut. A haircut of 20% would mean that if you pledged stocks worth Rs 1 lakh, Rs 80,000 (80% of 1 lakh) will be added as collateral margin to your trading account. (Additional hair cut as per the policy of company may be levied. (Hair cut may be vary as defined as per the Exchange, Clearing Member & also circumstances and volatility of the Market)
3. You will be able to use this entire margin after haircut for taking intraday or overnight positions in Futures, and for writing Options of equities, indices, and currencies. You will not be able to use this margin to buy Options or take further positions on the equity segment.
4. Exchanges stipulate that 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin
5. All delayed payment (interest) charges accumulated will be debited once every month on the ledger. cumulative delayed payment (interest) charges calculation can be found on KYC Policies & Procedures page itself.

6. All pledged stocks will be debited from your demat account until they are unpledged again. The entire process of pledging and unpledging will cost Rs. 140 per scrip irrespective of the quantity. So if you pledge 100 shares of Infosys and 200 shares of Reliance, the total cost (pledging + unpledging) will be Rs 280 (Rs 70 x 4). This charge will be debited from your ledger the day you place the pledge/unpledge request.
7. You will continue to get benefits of all corporate actions like dividends, splits, bonuses, etc. on the stocks you have pledged.
8. We reserve the right to liquidate any stocks in case debit arises in the client's account and subsequent non- payment of such debits.
9. We reserve the right to make any changes in the policy with due intimation to the client.
10. Cash v/s Collateral Ratio is 35% : 65% (35% Cash & 65% Collateral)
11. Presently Collateral Margin not allowed in Commodity Segment

## Debit Balance

### Delayed Payment Charges

All clients are advised to make the payment before the pay-in time on the settlement day, though there are instances wherein client may delay the payment beyond the settlement date. Although, it is obligatory for a broker to meet the settlement obligation in time, therefore, in order to ensure timely receipt of funds from clients towards their payment obligation, "charges for delayed payment" are levied in the client's account. The sum towards "charges for delayed payment" is levied to discourage delayed payment from clients who do not deposit the required sum of money before the payin time on the payin day. "Charges for delayed payment" are levied on the respective ledger debit of the clients at a rate of 1.5% per Month of the debit balance in the account. For the purpose of reckoning debit balance, the debit balance in the client ledger is consolidated across all segments of the respective exchange after giving effect to the release of margin.

### Charges on FO Position

In the Equity Derivative Segment and Currency Derivative Segment, we accept the approved securities from clients for margin purpose. Exchanges stipulate that for overnight F&O positions, 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin. If you don't have enough cash, your account will be in debit balance and there will be an interest charge also called delayed payment charges of 1.5% per Month applicable on the debit amount. So assume you take positions that require a margin of Rs 1 lakh, you will need at least Rs 50,000 in cash irrespective of how much collateral margin you have. Assuming you don't have this Rs 50,000, whatever you are short by will be the debit balance for the day, and interest will be applicable for that amount

## Contract Notes and Margin Statement

Stock Broker/Trading Member will issue contract notes & margin statements to its clients within 24 hours of the trade taking place. Along with the Contract Note, the client shall also be furnished with a copy of the daily margin status which is also available to be viewed on their respective Back office Personal Ledger.

# PMLA Policy

## Anti Money Laundering Measures

Money laundering has now become one of the major concerns of international financial community. Money Laundering is not just an attempt to disguise money derived from illegal activities. Rather, money laundering is involvement in any transaction or series of transactions that seek to conceal or disguise the nature or source of proceeds derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud and many other crimes.

The objective is to have a system in place for preventing any money laundering financial transaction through us and also to identify, monitor, report any such transaction to appropriate authorities.

“Know Your Customer “(KYC) is the guiding principle behind the Anti-Money Laundering (AML) measures. It incorporates the “Know Your Customer” Standards & “Anti Money Laundering” Measures, hereinafter to be referred as “KYC Standards” and “AML Measures ”. The objective of is to “have in place adequate policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements “. KYC Standards and AML Measures would enable the Company to know/ understand its customers, the beneficial owners, the principals behind customers who are acting as agents and their financial dealings better which in turn will help the Company to manage its risks prudently

The management of the company is fully committed to establish appropriate policies and procedures for ensuring effectiveness and compliance with respect to all relevant legal requirements.

## The Regulatory / Statutory Requirements

Compliance of the provisions of the PMLA and AML guidelines

Act as a central reference point and play an active role in identification & assessment of potential suspicious transactions

The main aspect of this policy is the customer due diligence process which means:

Obtaining sufficient information about the client in order to identify who is the actual beneficial owner of the securities or on whose behalf transaction is conducted

Verify the customer's identity using reliable independent source document, data or information

Conduct on-going due diligence and scrutiny of the account/ client to ensure that the transaction conducted are consistent with the client's background/ financial status, its activities and risk profile.

The customer due diligence process includes three specific parameters:

1. Policy for acceptance of clients : Each client should be met in person Complete KYC to be done for all clients No account to be opened in a fictitious/benami name or on an anonymous basis
2. Clients Identification Procedure (Risk profiling) All clients to be classified as per the risk into 3 categories Low, Medium and High Risk

3. Suspicious Transaction identification and reporting Any unusual activity compared to past transactions Sudden activity in Dormant accounts Sudden High volume / high value transactions

The principal officer shall report the nature, amount, date and all related details of any and all suspicious transactions recorded.

## 1. Client Identification:

Before opening any Trading account with us, the following measures shall be taken:

In person verification of the client

Identify beneficial ownership and control, i.e., determine the persons who beneficially own / control the account.

Collect information about client's background, occupation and also check the name of the introducer.

Collect and verify all original documents from the client.

Collect a certified copy of valid documents showing details of his permanent address, current address, PAN, nature of his occupation, financial status and also a recent photograph.

For clients trading in F&O segment, documentary proof of his financial details will be collected.

In case of Corporate client, collect copies of certificate of incorporation, Memorandum of association and other documents as required by SEBI

In case of Corporate client, collect adequate information of the persons authorised to deal on behalf of the company.

The client shall be interviewed personally regarding the purpose of opening the account i.e., whether short term trading or long term investment. Prior experience in stock market, Introducer details

## 2. KYC updation process:

All corporate clients must submit annual report every year. In case of individual clients, Client Master details shall be sent to all clients, who will confirm either that the details are updated or shall be advised to submit details if required. He shall also specify his present occupation and financial income details per annum in the same declaration.

The information should be adequate enough to satisfy competent authorities (regulatory/enforcement authorities) in future that due diligence was observed by us in compliance with the Guidelines.

Failure by prospective client to provide satisfactory evidence of identity should be noted and reported to the principal officer.

Further, we should also maintain continuous familiarity and follow-up with the client where inconsistencies in the information provided are noted.

The account will not be opened where we are unable to apply the above KYC policies, e.g., non co-operation of the client in providing full information etc

## 3. Client Categorisation:

Each client will be marked into 3 categories, High Risk, Medium Risk and Low Risk from the point of view of the anti-money laundering laws. The categorization will be made based on the following parameters/ factors of risk perception:

High Network Clients

Trusts/ NGOs / Charities receiving donations

Companies having close family shareholdings (The above are considered of High Risk as per SEBI guidelines) The other parameters are nature of business activity, trading turnover, manner of making payment etc. Provision will be made in the back office software for noting categorization of each client. The high-risk client will require regular KYC update.

The clients will be placed under low, medium and high-risk category based on their turnover per day. Corporates / HNIs having respectable social and financial standing, Clients who make payment on time and take delivery of shares can be considered as Low

## 4. Suspended Persons

SEBI and other authorities suspend or debar persons / entities from participating in securities market on several instances. We as a Broker are required to ensure that such persons do not trade through us.

We shall lay down systems for identifying transactions which is not in consonance with the financial status declared/ shown by the client. Also, unusual activities compared to past transactions, sudden activity in dormant accounts, activity inconsistent from declared business activity, should be traced. This shall require appropriate changes in our back office software.

Systems shall be put in place for identifying transactions likely to be market manipulation, and which appears to be insider trading and also any transaction which seems to have no bonafide intention. Regular communications by means of mailers, SMS, Email are sent to clients at various intervals requesting them to update their latest financial and KYC details available with us.

Role of Compliance Team & Internal Audit: The compliance team will play an important role in ensuring compliance of the above policies and procedures. The account opening team will exercise adequate due diligence as stated above. There will be periodic checking by the Principal Officer and the same report will be properly filed

There is a system of concurrent audit, which will also include ensuring compliance of the

1. Due diligence in KYC norms.
2. Generation of exception reports
3. Trading in dormant client codes
4. Level of awareness of staffs

## 5. Illiquid Securities:

The Exchanges specifies a list of Illiquid Securities where higher due diligence is to be exercised by the Brokers. The list is displayed in Exchange website for client's information. The trade pattern in such scripts by our clients is monitored. The Client undertakes and agrees that Stock Broker/Trading Member may as a risk containment measure, at any time, at its sole discretion, and without prior notice, prohibits, restricts or refuse the clients' ability to place order or trade in penny stocks, Illiquid Stocks or such other stocks/contracts, as specified by Member, through the Member. The Client waives any and all claims for loss or damage arising directly or indirectly from any such refusal.

## 6. Companies under Graded Surveillance

**Measure (GSM) :** The GSM framework monitoring has come into force with effect from March 14, 2017. The underlying principle behind defining various stages under GSM framework is to alert the market participants that they need to be extra cautious and diligent while dealing in such securities as the need has been felt to place them under higher level of surveillance. The Exchange has already published various circular(s) giving information to market participants on GSM framework, list of companies and their corresponding stages. Going forward as well, the Exchange shall continue to publish such circulars. All surveillance actions shall be triggered based on certain criteria and shall be made effective, in a coordinated manner across the Exchanges, with a very short notice issued after market hours typically one trading day before the effective date. The Client undertakes and agrees that member, may as a risk containment measure, at any time, at its sole discretion, and without prior notice, prohibits, restricts or refuse the clients' ability to place order or trade in penny stocks, Illiquid Stocks, stocks under GSM framework or such other stocks/contracts, as specified by Member, through the Member. The Client waives any and all claims for loss or damage arising directly or indirectly from any such refusal.

## 7. Employee Training

Stock Broker/Trading Member have policy for ongoing employee training programme so that the total staffs of Stock Broker/Trading Member completely aware of the provisions of AML and CFT procedures and amendments thereof. These training programmes are totally focused for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new customers as it is very crucial that all those concerned fully understand the rationale behind these guidelines, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements, if there is any lapse on the part of any staffs of the company.

A register of attendance of participation in such Education/ training program is maintained for the employees, kept secured with the Compliance Department.

As resolved we shall take adequate measures as per its internal policy to prevent money laundering and shall also put in place a frame work for PMLA policy. The policies and procedures as mentioned above shall not be final as it may adopt additional measures to safeguard its interest with respect to activities associated with PMLA.

## Terms & Conditions

Important things to know

### General Terms and Conditions

Before availing of online trading services, the Client shall complete the registration process as may be prescribed from time to time. The Client shall follow the instruction given in the website for registering himself as a client.

The Client agrees that all investment and disinvestment decisions are based on the Client's own evaluation of financial circumstances and investment objectives. This extends to any decisions made

by the Client on the basis of any information that may be made available on Stock Broker/Trading Member's web site. The Client will not hold nor seek to hold Stock Broker/Trading Member or any of its officers, directors, partners, employees, agents, subsidiaries, affiliates or business associates liable for any trading losses, cost of damage incurred by the Client consequent upon relying on investment information, research opinions or advice or any other material/information whatsoever on the web site, literature, brochure issued by Stock Broker/Trading Member or any other agency appointed/authorised by Stock Broker/Trading Member. The Client should seek independent professional advice regarding the suitability of any investment decisions. The Client also acknowledges that our employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from Stock Broker/Trading Member or any of Stock Broker/Trading Member's employees.

## Security Precaution and Password:

Stock Broker/Trading Member shall provide the client with a username and a trading password which will enable him to avail of the facilities of Online Trading through Stock Broker/Trading Member's website, over the telephone or in any such other manner as may be permitted by Stock Broker/Trading Member for availing of the services. Stock Broker/Trading Member may also provide the client with the username and password for accessing its back-office for various reports, etc. All terms regarding the use, reset and modification of such password shall be governed by information on the website.

The Client is aware that our Online Trading System itself generates the initial password and that client is aware of. The Client agrees and undertakes to immediately change his initial password upon receipt thereof. The Client is aware that subsequent passwords are not known or available to Stock Broker/Trading Member.

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 our Online Trading System using the Client's Username and/or Password whether or not such person was authorised to do so.

The Client shall immediately inform Stock Broker/Trading Member of any unauthorised use of the Client's Username or Password with full details of such unauthorised use including the date of such unauthorised use, the manner in which it was unauthorisedly used, the transactions effected pursuant to such unauthorised use, etc.

The Client acknowledges that he is fully aware of and understands the risks associated with availing of online trading services through internet including the risk of misuse and unauthorised use of his Username and/or Password by a third party and the risk of a person hacking into the Client's account on Stock Broker/Trading Member's Online Trading System and unauthorisedly routing orders on behalf of the Client through the System. The Client agrees that he shall be fully liable and responsible for any and all unauthorised use and misuse of his Password and/or Username and also for any and all acts done by any person through our Online Trading System on the Client's Username in any manner whatsoever.

Without prejudice to the provisions mentioned herein above, the Client shall immediately notify Stock Broker/Trading Member in writing with full details if he discovers or suspects unauthorised access through his Username, Password or Account, he notices discrepancies that might be attributable to unauthorised access, he forgets his password or he discovers a security flaw in Stock Broker/Trading Member's Online Trading System.

# Exposure Limits

All orders for purchase, sale or other dealings in securities and other instructions routed through the our Online Trading System via the Client's Username shall be deemed to have been given by the Client.

The client agrees to provide information relating to customer user identification number, and such other information as may be required while placing orders on the telephone to determine the identity of the client.

The orders and instructions and all contracts and transactions entered into pursuant thereto and the settlement thereof will be in accordance with the Exchange Provisions.

The Client agrees and confirms to abide by the exposure limits, if any, set by Member or Exchange or by the exchange or Clearing Corporation or SEBI from time to time.

The Stock Broker/Trading Member may from time to time at its sole discretion, impose and vary limits on the orders that the client place (including but not limited to exposure limits, turnover limits, limits as to the number, value and/or kind of securities/contracts in respect of which buy/sell orders can be placed etc.) The Client is aware and agrees that Stock Broker/Trading Member may need to vary or reduce the limits or impose new limits urgently on the basis of the Stock Broker/Trading Member's risk perception and other factors considered relevant by Stock Broker/Trading Member and Stock Broker/Trading Member may unable to inform to the Client of such variation, reduction or imposition in advance. The Client agrees that Stock Broker/Trading Member shall not be responsible for such variation, reduction or imposition of limits. The Client understands and agrees Stock Broker/Trading Member may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities through Stock Broker/Trading Member.

Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on Stock Broker/Trading Member's Online Trading System, Stock Broker/Trading Member shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.

The client agrees Stock Broker/Trading Member may impose scrip wise surveillance or such other conditions as to scrip wise limits, etc. The client also understands that Stock Broker/Trading Member may impose various surveillances which may differ from client to client on the basis of the Stock Broker/Trading Member's risk perception and other factors considered relevant by Stock Broker/Trading Member.

In case of a market order, the Client agrees that he will receive the price at which his order is executed by the exchange's computer system and such price may be different from the price at which the security is trading when his order is entered into Stock Broker/Trading Member's Online Trading System.

## Trading, Settlement and Accounts:

The client agrees that all orders placed through the website shall be forwarded by the system to the Exchange. All orders placed otherwise than through the website shall be forwarded by the system to Exchange terminals or any other order execution mechanism at the discretion of Stock Broker/Trading Member. In the event that the order is placed during the trading hours, it shall be routed to and executed on the market system.

The client shall bring any errors in any report, confirmation or contract note of executed trades (including execution prices, scripts or quantities) to Stock Broker/Trading Member's notice in writing by an electronic mail or fax within twenty four hours of receipt of the concerned report, confirmation or contract note. Any other discrepancy in the confirmation or account shall be notified by the client to Stock Broker/Trading Member in writing via electronic mail or fax within twenty four hours from the time of receipt of the first notice. In all cases, Stock Broker/Trading Member shall have a right to accept or reject the client's objection.

There may be a delay in Stock Broker/Trading Member receiving the reports of transaction, status, from the respective exchanges or other persons in respect of or in connection with which Stock Broker/Trading Member has entered into contracts or transactions on behalf of the clients. Accordingly, Stock Broker/Trading Member may forward to the client late reports in respect of such transactions that were previously unreported to him as been expired, cancelled or executed. The client shall not hold Stock Broker/Trading Member responsible for any losses suffered by the client on account of any late reports, statements or any errors in the report / statements computed by or received from any exchange.

The client agrees that if, for any circumstance or for any reason, the markets close before the acceptance of the Order by the Exchange, the order may be rejected. The client agrees further that Stock Broker/Trading Member may reject Orders if the same are rejected by the Exchange for any reason. In case of rejection of an order due to rejection by the Exchange, the client agrees that the order shall remain declined and shall not be re-processed, in any event.

Stock Broker/Trading Member may, at its sole discretion, reject any order placed on the website or in any other manner due to any reason, including but not limited to the non-availability of funds in the trading account of the client, non-availability of securities in the Demat account of the client with a designated depository participant, insufficiency of margin amount if the client opts for margin trading, suspension of scrip- specific trading activities by or on an Exchange and the applicability of circuit breaker to a scrip in which orders are placed.

The client agrees that, if the order is not accepted on the website for any reason, Stock Broker/Trading Member shall have the right to treat the order as having lapsed.

The client is aware that the electronic trading systems either at the Exchange or in the office of Stock Broker/Trading Member offices are vulnerable to temporary disruptions, breakdowns or failures. In the event of non- execution of trade orders or trade cancellation due to the happening of such events or vulnerabilities due to failure / disruption / breakdown of system or link, Stock Broker/Trading Member shall be entitled to cancel relative request/(s) with the Client and shall not be liable to execute the desired transactions of the client's. In such event, Stock Broker/Trading Member does not accept responsibility for any losses incurred / that may be incurred by the Client due to such eventualities which are beyond the control of Stock Broker/Trading Member.

Stock Broker/Trading Member may at its sole discretion permit execution of orders in respect of securities, irrespective of the amount in the balance of the account of the client.

The client agrees to abide with and be bound by all the rules, regulations and bye-laws of the Exchange as are in force pertaining to the transactions on his behalf carried out by Stock Broker/Trading Member and the orders placed by him on the website or any other manner.

Stock Broker/Trading Member shall not be responsible for any order, that is made by the Client by mistake and every order that is entered by the Client through the use of the allotted user name and the security code(s) shall be deemed to be a valid order for which the Client shall be fully responsible.

Cancellation or modification of an order pursuant to the client's request in that behalf is not guaranteed. The order will be cancelled or modified only if the client's request for cancellation and modification is received and the order is successfully cancelled or modified before it is executed. Market orders are subject to immediate execution wherever possible.

The client shall not be entitled to presume an order having been executed, cancelled or modified until a confirmation from Stock Broker/Trading Member is received by the client. However, due to technical other factors the confirmation may not be immediately transmitted to or received by the client and such a delay shall not entitle the client to presume that the order has not been executed cancelled or modified unless and until Stock Broker/Trading Member has so confirmed in writing.

The pending orders shall be governed as per the exchange systems, after the market is closed for the day.

Stock Broker/Trading Member shall issue contract notes in terms of the SEBI (Brokers and Sub-Brokers) Rules and Regulations, 1992, within 24 hours of the execution of the trade. Such a contract note, if issued in physical form shall be dispatched by Stock Broker/Trading Member by courier, at the address mentioned in this agreement or at any other address expressly informed to Stock Broker/Trading Member by the client. The client agrees that Stock Broker/Trading Member to issue the contract note in digital form which shall be sent by way of electronic mail to the address provided by the client. Stock Broker/Trading Member shall not be responsible for the non-receipt of the trade confirmation due to any change in the correspondence address of the Client not intimated to Stock Broker/Trading Member in writing. Client is aware that it is his responsibility to review the trade confirmations, the contract notes, the bills or statements of account immediately upon their receipt. All such confirmations and statements shall be deemed to have been accepted as correct if the client does not object in writing to any of the contents of such trade confirmation/intimation within 24 hours to Stock Broker/Trading Member.

Stock Broker/Trading Member may allow/disallow client from trading in any security or class of securities, or derivatives contracts and impose such conditions including scrip-wise conditional trading for trading as it may deem fit from time to time.

## Margin

The Client agrees and undertakes to immediately deposit with Stock Broker/Trading Member such cash, securities or other acceptable security, which Stock Broker/Trading Member may require as margin. The Client agrees that Stock Broker/Trading Member shall be entitled to require the Client to deposit with Stock Broker/Trading Member a higher margin than that prescribed by the Exchange. Stock Broker/Trading Member shall also be entitled to require the Client to keep permanently with Stock Broker/Trading Member a margin of a value specified by Stock Broker/Trading Member so long as the Client desires to avail of the Online Trading Service of Stock Broker/Trading Member.

The Margin will not be interest bearing. Stock Broker/Trading Member shall have, at its sole discretion, the irrevocable right to set off a part or whole of the Margin i.e., by the way of appropriating of the relevant amount of cash or by sale or transfer of all or some of the Securities which form part of the Margin, against any dues of the Client.

The client agrees and authorises Stock Broker/Trading Member to determine the market value of securities placed as margin after applying a haircut that Stock Broker/Trading Member may deem appropriate. The client undertakes to monitor the market value of such securities on a continuous basis. The client further undertakes to replenish any shortfall in the value of the margin consequents to a fall in the market value of such securities placed as margin immediately whether or not Stock Broker/Trading Member intimates such shortfall.

Stock Broker/Trading Member may at its sole discretion prescribe the payment of Margin in the form of cash instead of or in addition to margin in form of securities. The Client accepts to comply with the requirement of Stock Broker/Trading Member with regards to payment of Margin in the form of cash immediately. 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/securities for non- payment of margins or settlement obligation without giving prior notice. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the client.

The client agrees and confirms 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.

The client is also aware that Stock Broker/Trading Member is required to deposit sufficient margin with the Exchange to enable all its eligible clients to trade subject to such limits as may be imposed by Stock Broker/Trading Member on the basis of Stock Broker/Trading Member's Risk perception and other factors considered relevant by Stock Broker/Trading Member. However, there may be circumstances when the deposits made by Stock Broker/Trading Member with the Exchange may not be sufficient in times of extreme volatility and trading terminals of Stock Broker/Trading Member may get temporarily suspended because of the cumulative effect of non-meeting of obligation by various clients as per this agreement. In these circumstances, no client shall have the right to claim any damages from Stock Broker/Trading Member for any loss that they might incur on account of such suspension of trading.

The Client agrees that any securities/cash placed by him/her/it as margin may in turn be placed as margin by Stock Broker/Trading Member with the Exchanges or Clearing Member or banks or such other institution as Stock Broker/Trading Member may deem fit. The Client authorises Stock Broker/Trading Member to do all such acts, deeds and things as may be necessary and expedient for placing such securities/cash with the Exchanges/Banks/Clearing Member/Institutions as margin.

Any reference in these terms to sales or transfer of Securities by Stock Broker/Trading Member shall be deemed to include sale of the Securities which form part of the Margin maintained by the Client with Stock Broker/Trading Member. In exercise of Stock Broker/Trading Member's right to sell securities under the Agreement, the Client agrees that the choice of specific securities to be sold shall be solely at the discretion of Stock Broker/Trading Member.

## Physical Settlement in Equity Derivatives & Procedure for Clearing, Settlement:

1. All open positions in these contracts will be squared off 2 days prior to the expiry.
2. Fresh positions will not be allowed in these contracts 2 days before the expiry date. You can take positions in the next month contract if you wish too.

In the event that Stock Broker/Trading Member is unable to square off the position before expiry, for whatsoever reason, you will be liable to make funds(in case of long futures/calls or short put option positions) or stocks(in case of short futures/calls or long put option positions) available in your account to the extent of the settlement value.

Stock Broker/Trading Member will not be liable for any losses arising out of such square-off/failure to square-off.

Further, client wishes to settle position in physical mode must intimate to RMS department 4 days prior to expiry.

## Maintenance of Trading Account:

Money pay-in to Stock Broker/Trading Member - The Client agrees that all payments due to Stock Broker/Trading Member will be made within the specified time and in the event of any delay, Stock Broker/Trading Member may refuse, at their discretion, to carry out transactions or closeout the position and the costs/losses if any, thereof shall be borne solely and completely by the client. All payments made to Stock Broker/Trading Member shall be from the account of the client and shall not be from any third party.

Money payout to Stock Broker/Trading Member - Notwithstanding anything contained in any other agreement or arrangement, if any, between the parties hereto, the client hereby authorizes Stock Broker/Trading Member to release all payments due to him from the trading account maintain with Stock Broker/Trading Member, against specific request in this behalf.

Securities pay-in to Stock Broker/Trading Member - All delivery to be effected to Stock Broker/Trading Member for a trade, must be made within 24 hours from the execution of the sale order or one day before the pay-in date, whichever is earlier. Losses, if any, that may accrue in the event of a default in completing the delivery on the exchange by Stock Broker/Trading Member as a result of any delay in the delivery by the client, shall be borne solely and completely by the client. Losses for the purposes of this clause shall include auction debits/ penalty charges, if any incurred as a result of non-delivery of securities on the settlement date on the exchange. No third party shares will be sold through Stock Broker/Trading Member or third party payment should be made to Stock Broker/Trading Member and client will be solely responsible for any violation. If the client has sold any securities from the exchange against purchase in previous settlements, such sale shall be at the sole risk as to costs and consequences thereof of the client.

Securities pay-out by Stock Broker/Trading Member - Stock Broker/Trading Member may directly credit the demat account of the client with the depository participant or maintain the securities account with Stock Broker/Trading Member on a running account basis.

Provided that if the order placed by the client through the website or otherwise is for securities which are in the no-delivery period, such securities shall be credited to the trading account of the client only at the time of settlement of trades, as per the schedule of the Exchange. However, if any sum due from the client, Stock Broker/Trading Member may withhold the credit of securities to the demat account of the client. However, the client authorizes Stock Broker/Trading Member to withhold the securities to meet liabilities of client to Stock Broker/Trading Member under this agreement.

Stock Broker/Trading Member is entitled to consider any sum or money or security lying to the credit of the client as margin received.

## Representations and Warranties:

The Client hereby warrants that he is capable of executing the present agreement and that the terms of the present are not in contravention of any rights of any party with whom such client has any agreements, at any time prior to the execution of this agreement.

He agrees to provide and continue to provide all details about themselves as may be required by Stock Broker/Trading Member, including but not restricted to PAN Number or Unique Identification Number (issued by SEBI) , and states all details and facts represented to Stock Broker/Trading Member are true.

The Client is aware and acknowledges that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc., which are susceptible to interruptions and dislocations; and the Online Trading Service of Stock Broker/Trading Member may at any time be unavailable without further notice. Stock

Broker/Trading Member and the Exchange do not make any representation or warranty that the Online Trading Service of Stock Broker/Trading Member will be available to the Client at all times without any interruption. The Client agrees that he shall not have any claim against the Exchange or Stock Broker/Trading Member on account of any suspension, interruption, non-availability or malfunctioning of the Online Trading System or Service of Stock Broker/Trading Member or the Exchange's service or systems for any reason whatsoever.

Stock Broker/Trading Member states that it has complied with and will continuously comply and if not proposes to comply with all statutory and regulatory directions to offer the Internet Trading services through the website [www.tradedealonline.com](http://www.tradedealonline.com) and for dealing in cash and derivatives segment of the exchange.

The Client warrants that all or any of the securities deposited by him with Stock Broker/Trading Member in respect of margin requirements or otherwise, are owned by him and the title thereof is clear and free of encumbrances.

The Client/s agree to indemnify and hold Stock Broker/Trading Member harmless against any loss that may be suffered by it, its customers or a third party or any claim or action that may be initiated by a third party which is in any way the result of improper use of user ID and password by the Client/s.

The Client hereby confirms and warrants that the Client authorises Stock Broker/Trading Member to take all such steps on the Client's behalf as may be required for provisions or to complete or settle any transactions entered into through or with Stock Broker/Trading Member or executed by Stock Broker/Trading Member on behalf of the Client. However, nothing herein shall oblige Stock Broker/Trading Member to take such steps.

## Miscellaneous:

Stock Broker/Trading Member does not warrant that the service will be uninterrupted or error-free. The service is provided in an "as is" and "as available" basis without warranties of any kind, either express or implied, including, without limitation, those of merchantability and fitness for a particular purpose. The client agrees that Stock Broker/Trading Member shall not be held responsible for delays in transmission of orders due to breakdown of the system or failure of communication facilities either due to the fault of the systems of Stock Broker/Trading Member or of the Exchanges or otherwise or for any other delay beyond the reasonable control of Stock Broker/Trading Member due to a breakdown or failure of communication facilities or for any other delay beyond the reasonable control of Stock Broker/Trading Member.

All modification to this Agreement shall be made solely at the discretion of Stock Broker/Trading Member and shall be intimated to the client by a suitable modification to the terms and conditions or other applicable section on the website or in any other manner.

## Indemnity :

In the event of death or insolvency of the client, winding up or liquidation, or their 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/Trading Member may close out the transaction of the client and the client or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.

The client is aware that authentication technologies and strict securities measures are required for internet trading through order routed system and undertake to ensure that the password of the

client and /or their authorized representatives are not revealed to any third party. The client also agrees to indemnify Stock Broker/Trading Member from any loss, injury, claim or any action instituted against Stock Broker/Trading Member arising from the misuse of the password by any party.

## Force Majeure:

Stock Broker/Trading Member shall not be responsible for delay or default in the performance of their obligations due to contingencies beyond their control, such as (including but not limited to) losses caused directly or indirectly by exchange or market rulings, suspension of trading, fire, flood, civil commotion, earthquake, war, strikes, failure of the systems, failure of the internet links or government / regulatory action.

## Severance:

In the event of any one or more of the provisions contained in this Agreement becoming invalid, illegal or unenforceable in any respect under any law for the time being in force, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be prejudiced or affected thereto.