

## RULES & REGULATIONS

### TABLE OF CONTENTS

DOCUMENT	SIGNIFICANCE	PAGE NUMBER
MANDATORY DOCUMENTS		
Rights and Obligations	Document stating the Rights & Obligations of stock broker/ trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet / wireless technology).	2-4
Risk Disclosure Document	Document detailing risks associated with dealing in the securities market.	5-7
Guidance Note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	8
Policies and Procedures	Document describing significant policies and procedures of the stock broker.	9-12
OPTIONAL DOCUMENTS		
Terms and Conditions	General Terms and Conditions Governing Securities Trading and Broking Services of RKSv Securities India Pvt. Ltd.	13-23

**PLEASE READ ALL THE DOCUMENTS CAREFULLY  
THIS FORM IS FOR YOUR REFERENCE ONLY  
DO NOT MAIL THIS FORM**

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Registration Date: July 23, 2010

CLEARING MEMBER INFORMATION
ISSL Settlement & Transaction Services Limited: INF231133630, INF011133834, INE231308334

For any grievance/ dispute please contact RKSv Securities India Pvt. Ltd. at the above address and/ or email id: complaints@rksv.in and/ or Phone No. +91-22-6130-9999. In case you are not satisfied with the response, please contact the concerned exchange(s) at National Stock Exchange of India Limited at [gnse@nseindia.com and Phone No. 1800-120-058] and Bombay Stock Exchange Limited at [is@bseindia.com and Phone No. +91-22-2272-8097].

# RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS

as prescribed by SEBI and Stock Exchanges

1. The client shall invest/ trade in those securities/ contracts/ other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/ notices issued there under from time to time.
2. The stock broker, sub-broker and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/ notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/ or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

## CLIENT INFORMATION

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/ SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the account opening form as provided at the time of account opening and thereafter; including the information on winding up petition/ insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/ update the financial information to the stock broker on a periodic basis.
10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/ authority except as required under any law/ regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

## MARGINS

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker

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

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

## TRANSACTIONS AND SETTLEMENTS

13. The client shall give any order for buy or sell of a security/ derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/ settlement cycles, delivery/ payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/ procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/ securities deposited by the client shall be kept in a separate account, distinct from his/ its own account or account of any other client and shall not be used by the stock broker for himself/ itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/ or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/ s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/ notices issued there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/ notices issued there under.

## BROKERAGE

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

## LIQUIDATION AND CLOSE OUT OF POSITION

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/ close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/ close out, if any, against the client's liabilities/ obligations. Any and all losses and financial charges on account of such liquidation/ closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/ its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/ securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/ delivery and related aspects by a client. In case where defaulting client is a corporate entity/ partnership/ proprietary firm or any other artificial legal entity, then the name(s) of Director(s) / Promoter(s) / Partner(s) / Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### DISPUTE RESOLUTION

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/ or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Bye-laws and Regulations of the Exchanges where the trade is executed and circulars/ notices issued there under as may be in force from time to time.
25. The stock broker shall ensure faster settlement of arbitration proceedings arising out of transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/ stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/ stock-broker shall be binding on the client/ stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/ stock-broker.

#### TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after

giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/ be binding on the respective parties or his/ its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

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

#### ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/ or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

- 35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/ due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
- 36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

#### ELECTRONIC CONTRACT NOTES (ECN)

- 37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
- 38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
- 39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
- 40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/ regulations/ circulars/ guidelines issued by SEBI/ Stock Exchanges from time to time. The proof of delivery i.e. log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/ stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/ e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/ stock exchanges.
- 41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the

client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/ stock exchanges and maintain the proof of delivery of such physical contract notes.

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

#### LAW AND JURISDICTION

- 43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/ notices issued there under or Rules and Regulations of SEBI.
- 44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
- 45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
- 46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/ notices issued there under of the Exchanges/ SEBI.
- 47. All additional voluntary clauses/ document added by the stock broker should not be in contravention with rules/ regulations/ notices/ circulars of Exchanges/ SEBI. Any changes in such voluntary clauses/ document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/ SEBI shall also be brought to the notice of the clients.
- 48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

# RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

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

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

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

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquaint-

ed with the following:-

## 1. BASIC RISKS

### 1.1 Risk of Higher Volatility:

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

### 1.2 Risk of Lower Liquidity:

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

**1.2.1** Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

### 1.3 Risk of Wider Spreads:

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

### 1.4 Risk-reducing orders:

The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

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

traded price or the best price in that security / derivatives contract.

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

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

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

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

#### **1.6 Risk of Rumors:**

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

#### **1.7 System Risk:**

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

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

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

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

Trading on exchanges is in electronic mode, based on satellite/ leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/ glitch whereby not being able to establish access to the trading system/ network, which may be beyond control and may result in delay in processing or not processing buy

or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

## **2. AS FAR AS DERIVATIVES SEGMENTS ARE CONCERNED, PLEASE NOTE AND GET YOURSELF ACQUAINTED WITH THE FOLLOWING ADDITIONAL FEATURES**

#### **2.1 Effect of “Leverage” or “Gearing”:**

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

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

- a.** Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- b.** If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- c.** Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- d.** In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- e.** You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

#### **2.2 Currency specific risks:**

- a.** The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- b.** Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can

occur, for example when a currency is deregulated or fixed trading bands are widened.

**c.** Currency prices are highly volatile. Price movements for currencies are influenced by various factors. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

#### **2.3 Risk of Option holders:**

**a.** 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.

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

#### **2.4 Risks of Option Writers:**

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

**b.** 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.

**c.** Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY**

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

### **4. GENERAL**

**4.1** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/ or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.

**4.2** The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

## BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

## TRANSACTIONS AND SETTLEMENTS

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

funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.

- c. On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
- d. You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Register your mobile no. and email id with the stock broker.

## IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

## DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## POLICIES AND PROCEDURES

This Policy and Procedure document of RKS SECURITIES contains important information on trading in Equities, F&O and Currency Derivative segment(s) of the Exchange(s) through RKS SECURITIES. All clients should read this document before trading. Since the dimensions of Securities Trading are dynamic and ever-changing, Clients are further advised to keep themselves updated with the changing environment and Regulatory provisions, frame work and environment.

### REFUSAL OF ORDER FOR PENNY STOCK

Following types of scrips will come under Penny stock if it falls in any one category as mentioned below as part of the due diligence and risk management policy of RKS SECURITIES:

- a. Scrip which are quoting at less than Rs. 10/- on any of the Exchanges.
- b. Scrips appearing in the list of illiquid securities issued by the Exchanges periodically.
- c. Securities forming part of Trade-to-Trade settlement.
- d. Securities forming part of Z group.
- e. Scrips on which Exchange VaR is more than 50%.
- f. Scrip whose average daily volume is less than 15000 shares (collectively for all Exchanges) in last seven days.
- g. Any Securities which in the opinion of RKS SECURITIES is likely to be a Penny Stock. Trading in Penny stocks may be allowed to clients at the sole discretion of RKS SECURITIES. Also RKS SECURITIES may restrict the quantity/amount which a client may be allowed to buy/sell the penny stock. If the client wants to purchase Penny stocks then RKS SECURITIES may insist upto 100% advance payment/ sufficient clear ledger credit balance and similarly if client wishes to sell Penny stock, then RKS SECURITIES may insist that shares should be first transferred to beneficiary demat account of RKS SECURITIES. Under no circumstances, RKS SECURITIES shall be held responsible for non-execution/delay in execution of such orders and consequential opportunity loss or financial loss to the client.

### SETTING UP CLIENT'S EXPOSURE LIMITS

As a part of sound risk management policy of RKS SECURITIES, the client will not be allowed to place orders in far months contract i.e. any order having expiry cycle of three months (far away contracts) in the Derivatives Segment. In the event of crossing of Market Wide Position Limit (MWPL) (in terms of the number of open positions in underlying security) specified by SEBI / Exchange in a security and a security being under ban / restriction period, the client shall not be allowed to take new / further position in the said security during such ban / restriction period, and the client shall be allowed to trade only to decrease his/ her / its position through offsetting positions in the said security during which the ban / restriction on fresh position is in force for the said security. In the event of crossing Trading Member Position Limit (TMPL) and / or Client Level Position Limit (CLPL), whether the security is under ban / restriction period or not, the clients shall not be allowed to take new / further position in the said security and the clients shall be allowed to trade only to decrease his/ her / its position through offsetting positions in the said security till the Trading Member Position Limit (TMPL) and / or Client Level Position Limit (CLPL) comes within the permissible trading limit in the said security. RKS SECURITIES may from time to time impose and vary limits / margins requirement on the orders that the client can place through the stockbroker's trading system (including exposure/margin limits, turnover limits, limits as to the number, value and/or kind of securities in

respect of which orders can be placed etc.). The client is aware and agrees that RKS SECURITIES may need to vary or reduce the limits or impose new limits urgently on the basis of RKS SECURITIES's risk perception and other factors considered relevant by RKS SECURITIES including but not limited to limits on account of Exchange /SEBI directions / limits (such as broker level / market level limits in security specific /volume specific exposures etc.) and RKS SECURITIES may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that RKS SECURITIES shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through RKS SECURITIES's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that RKS SECURITIES may at anytime, at its sole discretion and without prior notice prohibit or restrict the client's ability to place orders or trade in securities through RKS SECURITIES or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by RKS SECURITIES / exchange / SEBI and any other reasons which RKS SECURITIES may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal, or due to delay caused by such review, shall be borne exclusively by the client alone.

RKS SECURITIES is required only to communicate / advise the parameters for the calculation of the margin / security requirements as rate(s) / percentage(s) of the dealings and/or as SPAN requirement, through any one or more approved means or methods such as post /speed post / courier / registered post / registered A.D / facsimile / cable / e-mail / voice mails / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of RKS SECURITIES; by publishing / displaying it on the website of RKS SECURITIES/making it available as a download from the website of RKS SECURITIES; by displaying it on the notice board of the branch/office through which the client trades or if the circumstances, so require, by radio broadcast/television broadcast/ newspapers advertisements etc; or any other approved mode or manner. The client agrees that the postal department /the courier company and the e-mail/voice mail service provider and such other service providers shall be the agent of the client and the dispatch shall be complete when communication is given to the postal department / the courier company / the e-mail /voice mail service provider, etc. by RKS SECURITIES once parameters for margin /security requirements are so communicated, the client shall monitor his / her / its position (dealings / trades and valuation of security) on his / her / its own and provide the required / deficit margin / security forthwith as required from time to time. The client is not entitled to trade without adequate margin / security and that it shall ascertain beforehand the margin / security requirements for his /

her/its orders / trades /deals and to ensure that the required margin / security is made available to RKS SECURITIES in such form and manner as may be required by RKS SECURITIES. If the client's order is executed despite a shortfall in the available margin, the client, shall, whether or not RKS SECURITIES intimates such shortfall in the margin to the client, make up the shortfall suo moto immediately. The client further agrees that he /she / it shall be responsible for all orders (including any orders that may be executed without the required margin in the client's account) & / or any claim / loss /damage arising out of the non-availability /shortage of margin /security required by RKS SECURITIES & / or exchange & / or SEBI. RKS SECURITIES is entitled to vary the form and manner (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of money instead of shares) & / or quantum & or percentage of the margin & / or security required to be deposited /made available, from time to time. The margin / security deposited by the client with RKS SECURITIES are not eligible for any interest. RKS SECURITIES is entitled to include / appropriate any / all pay out of funds & or securities towards margin / security without requiring specific authorizations for each payout. RKS SECURITIES is entitled to transfer funds &/ or securities from his account for one exchange & /or one segment of the exchange to his / her /its account for another exchange & /or another segment of the same exchange whenever applicable and found necessary by RKS SECURITIES. The client also agrees and authorizes RKS SECURITIES to treat / adjust his / her /its margin / security lying in one exchange & / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange & / or another segment of the exchange. RKS SECURITIES is entitled to withhold the securities received from the exchange as payout if there is a negative ledger balance in the client's account. Such withheld securities will be released to the clients demat accounts as per RKS SECURITIES policies which will be available on RKS SECURITIES's website and will be communicated to clients on a best effort basis. RKS SECURITIES is entitled to disable / freeze the account & / or trading facility / any other service facility, if, in the opinion of RKS SECURITIES, the client has committed a crime / fraud or has acted in contradiction / violation of any laws, rules, regulations, directions etc. of a lawful authority whether Indian or foreign or if RKS SECURITIES so apprehends.

### **APPLICABLE BROKERAGE RATES**

RKS SECURITIES is entitled to charge brokerage within the limits imposed by exchanges from time to time.

The brokerage to be charged by RKS SECURITIES shall be exclusive of all statutory levies such as services Tax, Stamp duty, SEBI turnover fees, Securities Transaction Tax and other taxes as they exist from time to time and as they apply to the account and transactions of the Clients and for the services rendered to the Clients. Any revision in brokerage will be made only after giving 15 days notice by way of communication through email and through website in writing and as per client consent. In order to provide competitive advantage and scale of economy and operations to the clients, RKS SECURITIES will provide new / innovative and economical Brokerage Rate Structure at a rate as mentioned / made available on the Website / portal of RKS SECURITIES intimated in writing and as may be mutually agreed and modified from time to time. It shall however be ensured that the Brokerage shall not exceed maximum permissible under the applicable regulations.

### **IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES**

The client agrees that any amounts which are overdue from the client towards trading or on account of any other reason (including shortfall in margin requirement or margin provided in form of collateral in lieu of cash margin) to RKS SECURITIES will be charged with delayed payment charges / penalty @ 2% per month or part thereof. The client agrees that RKS SECURITIES may impose fines / penalties for any orders /trades / deals / actions of the client which are contrary to the rules / regulations / bye laws of the exchange or any other law for the time being in force , at such rates and in such form as it may deem fit. Further where RKS SECURITIES has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client. The client agrees to pay to RKS SECURITIES brokerage, commission, fees, all taxes, duties levies imposed by any authority including' but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses as they apply from time to time to the client's account / transactions / services that the client avails from RKS SECURITIES. RKS SECURITIES also retains the right to charge postage, courier etc. expenses to clients for issuing duplicate copies of statements in regard to client's account. The penalty / delayed payment charges imposed by RKS SECURITIES shall be debited to the account/ ledger of the clients. Any change / revision in the scale of penalty / delayed payment charges will be informed to the clients in writing through approved means or methods (and with client's consent) such as post /speed post / courier / registered post / registered A.D / facsimile / cable / e-mail / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of RKS SECURITIES; and by publishing / displaying it on the website of RKS SECURITIES / making it available as a download from the website of RKS SECURITIES; by displaying it on the notice board of the branch / office through which the client trades or any other suitable or applicable mode or manner.

### **THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES LIMITED TO THE EXTENT OF SETTLEMENT MARGIN OBLIGATION**

The client is required to pay adequate margin payin obligations in full and the clients shall ascertain in advance the margin / pay-in obligations requirement for its order/ trades/ deals and to ensure that the required margin /payin obligations is made available to RKS SECURITIES in such form and such manner as may be required by RKS SECURITIES from time to time. If the client's order is executed despite a shortfall in the available margin, the client shall, whether or not RKS SECURITIES intimates such shortfall to the client, make up for the shortfall suo-motto immediately. The client shall be responsible for all orders (including any orders that may be executed without the required margin in the clients account) and/or any claim/ loss/damage arising out of the non-availability/ shortage of margin / pay-in obligations required by RKS SECURITIES and/or by Exchange. The client shall fulfill all its obligations / liabilities / dues to

RKSV SECURITIES, failing which RKSV SECURITIES has the right not the obligation to square up all or any outstanding position and / or take offsetting positions and / or sell the margin / securities available with RKSV SECURITIES without giving any notice to the client. RKSV SECURITIES may also square up all or any outstanding position and / or sell the securities/collateral available with RKSV SECURITIES as a part of risk management at any time by giving notice to the client. In case of purchase on behalf of client, the RKSV SECURITIES may close out its transactions by selling securities, in case the Client fails to make full payment to RKSV SECURITIES for the same before the time intimated by RKSV SECURITIES. In case of sale on behalf of client, the RKSV SECURITIES may close out its transaction by purchasing the securities. The client shall be liable for any losses, costs and be entitled to any surplus, which may result from the above.

## **CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT**

RKSV SECURITIES has margin based RMS system; client may take exposure up to the amount of margin available with us and/or collaterals pledged with us. Client may not be allowed to take position in case of non-availability / shortage of margin as per RMS policy of RKSV SECURITIES. The existing position of the client and/or shares pledged with us as collateral are also liable to be squared off / closed out without giving notice due to shortage of margin / non making of payment for their pay in obligation / outstanding debts. RKSV SECURITIES will have the right to close out all open positions and/or sell client's securities and/ or shares pledged with us as collateral, as and when the client defaults in his settlement/sale delivery/margin/MTM obligations in any segment of the exchanges. The close out/ selling will be only to extent of shortages in Margins, MTM or settlement obligations on all segments of exchange(s). In case the payment of the margin / security is made by the client through a bank instrument, RKSV SECURITIES shall be at liberty to give the benefit / credit for the same only on the realization of the funds from the said bank instrument etc. at the absolute discretion of RKSV SECURITIES. Where the margin / security is made available by way of securities or any other approved collateral, RKSV SECURITIES is empowered to decline its acceptance as margin / security & / or to accept it at such reduced value as RKSV SECURITIES may deem fit by applying haircuts atleast at the rate prescribed by the exchange or by valuing it by marking it to market or by any other approved method as RKSV SECURITIES may deem fit in its absolute discretion. Usage of Collateral at discretion of broker RKSV SECURITIES retains the right to adjust at such rate as prescribed by the exchange or such higher rate as deemed fit the Collateral deposited by the Client against his / her / its settlement / margin obligation. The client shall ensure replenishment of Collateral on account of diminution of values of Collaterals on account of non-cash corporate action initiated by the concerned company whose securities are deposited by the client with RKSV SECURITIES as Collateral. In the event of diminution of values of Collaterals, RKSV SECURITIES has the right but not the obligation to square off / close outs the open position of the Client. RKSV SECURITIES will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual

executed prices. In case of open position (i.e. short / long) gets converted into delivery due to non 'square off because of any reason whatsoever, the client agrees to provide securities / funds to fulfill the pay-in obligation failing which the client will have to face auction or internal close out; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any. Without prejudice to the foregoing, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s). RKSV SECURITIES is entitled to prescribe the date and time by which the margin / security is to be made available and RKSV SECURITIES may refuse to accept any payments in any form after such deadline for margin / security expires. If the client fails to maintain or provide the required margin / fund / security or to meet the funds / margins / securities pay in obligations for the orders / trades /deals of the client within the prescribed time and form, RKSV SECURITIES shall have the right without any further notice or communication to the client to take any one or more of the following steps:

- a. To withhold any payout of funds / securities.
- b. To withhold / disable the trading / dealing facility to the client.
- c. To liquidate one or more security (ies) of the client by selling the same in such manner and at such rate which RKSV SECURITIES may deem fit in its absolute discretion. It is agreed and understood by the client that securities here includes securities which are pending delivery receipt.
- d. To liquidate / square off partially or fully the position of sale & / or purchase in any one or more securities / contracts in such manner and at such rate which RKSV SECURITIES may decide in its absolute discretion.
- e. To take any other steps (including liquidation of client collateral, in any form) which in the given circumstances, RKSV SECURITIES may deem fit. The client agrees that the loss(s) if any, on account of any one or more steps as enumerated herein above being taken by RKSV SECURITIES, shall be borne exclusively by the client alone.

## **SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES**

RKSV SECURITIES shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by RKSV SECURITIES from the exchange, the clearing corporation /clearing house or other company or entity liable to make the payment and the client has fulfilled his / her /its obligations first. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under: The short delivering client is debited by an amount equivalent T day's closing rate on T+3. The securities delivered short are purchased from market on T+3 day which is the Auction Day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier. (Please note that process for handling of internal shortages may be changed by the broker at its discretion with prior notice of 15 days as per agreed mode of communication which may also be published on the website of RKSV SECURITIES).

## **TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST**

On the written request of the client, the client account can be suspended temporarily and can be re-activated on

the written request of the client only. During suspension period, the market transaction will be prohibited. However client's pending settlement can take place. RKS SECURITIES can withhold the payouts of client and suspend his trading account due to surveillance action or judicial or / and regulatory order/action requiring client suspension. On the written request of the client, the client account can be closed provided the client adheres to formalities for account closure including settlement of all dues in the account and closing of all open position. If the client wishes to again open a broking account then the client shall have to complete the KYC and account opening formalities once again.

## **Deregistering a Client**

RKS SECURITIES may terminate the trading account of the client in any of the following circumstances:

- a.** If the action of the Client are *prima facie* illegal / improper or such as to manipulate the price of any securities or disturb the normal / proper functioning of the market, either alone or in conjunction with others. If there is any commencement of a legal process against the Client under any law in force;
- b.** If the Client has found to be of unsound mind or of other disability by a competent authority and the findings is in force.
- c.** If the Client has been convicted by a Court of any offence involving moral turpitude.
- d.** On the death of the Client.
- e.** If a receiver, administrator or liquidator has been appointed or allowed to be appointed for the Client.
- f.** If the client being declared a defaulter by any of the regulatory bodies of the country or under any law being in force or In the event RKS SECURITIES becoming aware of any proceedings being initiated against the client by any of the regulatory bodies of the country or under any law being in force or the client being involved in any criminal proceedings or any illegal business or the member becoming aware of the client's past offences which are illegal or prohibited by the regulatory bodies of the country or under any law being in force.
- g.** On the specific written directions of any statutory/ legal authority/Regulatory Authority.
- h.** If the Client becomes un-discharged insolvent or applies to be adjudicated as an insolvent.
- i.** If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- j.** If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security; If there is reasonable apprehension that the Client is unable to pay its lawful debts or the Client has admitted its inability to pay its lawful debts, as they become payable.

## **POLICY FOR DORMANT ACCOUNTS**

A Trading Account (irrespective whether having debit or credit balance) shall be classified as dormant account in case there are no transactions for a period of 12 (Twelve) calendar months from the last transaction date. The Dormant Accounts shall be frozen for further transaction(s). Transactions here mean any of the following:

- a.** No purchase or sale transaction in the Cash Segment of NSE & BSE.
- b.** No purchase or sale transaction in the Derivative segment of NSE & BSE.
- c.** No purchase or sale transaction in the currency

derivative segment of NSE.

**d.** No Bank Receipts or Payments (Client Funds Pay-in or Pay-out).

**e.** Any other Financial or Security transaction as provided on the website or through the offline mode affecting the common.

**f.** ledger of the customer maintained in the back office for RKS SECURITIES.

**g.** Not logged in with security token.

On classification of any account as dormant accounts as stated above, RKS SECURITIES will inform the client within seven days of such classification. A dormant account can be re-activated on receipt of a request for reactivation along with valid proof of identity. RKS SECURITIES will re-activate the dormant account after proper verification of the same. Return of client asset aspect to be incorporated in writing and as per client consent.

These policies and procedures can be changed by RKS SECURITIES from time to time with prior notice of 15 days and subject to posting of the amendments and modifications therein on its website and their applicability with prospective effect.

# GENERAL TERMS AND CONDITIONS GOVERNING SECURITIES TRADING AND BROKING SERVICES OF RKS SECURITIES INDIA PVT. LTD.

The Client hereby state and acknowledge that I/we have read and understood the terms and conditions governing securities trading and broking services of RKS SECURITIES INDIA PVT. LTD. ("the Stock Broker"), the same appearing hereunder and I/we shall abide by the same.

## DEFINITIONS

- a. "Exchange" shall mean and include the Bombay Stock Exchange Limited (BSE) and/or the National Stock Exchange (NSE) of India Limited.
- b. "Depository" shall mean and include the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- c. "SEBI" shall mean and include the Securities and Exchange Board of India.
- d. "The Broker" and "the Stock Broker" shall mean and include RKS SECURITIES INDIA PVT. LTD.

## GENERAL TERMS AND CONDITIONS GOVERNING THE SERVICE

1. The Provisions of these terms and conditions and all transactions that are carried out by and on behalf of the Client, shall always be subject to the rules, regulations, guidelines and circulars issued by Stock Exchange, their Clearing Corporation/ Houses, if any, on which such transactions are executed and/or cleared by the Stock Broker that may be in force from time to time, the Reserve Bank of India and the NSDL and CDSL, the Securities Contracts (Regulation) Act 1956 and the rules made there under, and any other applicable statutory provisions and rules or regulations. The Stock Broker is under no obligation to inform the Client of changes in these rules, regulations or guidelines etc.
2. Where the Client is a Non Resident Indian, he agrees to abide by the Foreign Exchange Management Act and rules and regulations issued there under from time to time.
3. The Client hereby authorizes the Stock Broker to take all such steps on the Client's behalf as may be required or advisable in the Stock Broker's opinion for compliance with the Exchange provisions or any other law or provisions or to complete or settle any transactions entered in to through or with the Stock Broker or executed by the Stock Broker on behalf of the Client. However nothing contained herein shall oblige the Stock Broker to take such steps.
4. In addition to the specific rights set out in these terms and conditions, 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 there under or Rules and Regulations of SEBI.
5. The Client states that he/it is eligible in terms of age, territorial jurisdiction and has the authority to open trading account with a stock broker and nothing in law or otherwise bars the Client there from. The Client having opened / applied for opening trading account with a stock broker shall be deemed to have satisfied himself/itself with regard to eligibility in this respect.
6. All references to the specific quantity/rate/fee/charges mentioned in any other documents are subject to

change from time to time with prior notice of 15 days and such notice shall be sent in an approved mode of communication.

7. These Terms and conditions can be altered, amended and/or modified by the parties mutually in writing. 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 these terms and conditions. Provided further that the Stock Broker may communicate any changes to these terms and conditions in writing or by electronic form to the Client and post the same on the web site of the Stock Broker.
8. The Client agrees that he will not act as a sub broker without prior written permission of the Stock Broker and without obtaining certificate of registration from SEBI.
9. All orders made by the Client shall only be in securities compulsorily traded in the dematerialized form. All deliveries of securities made by or to the Client shall only be in the dematerialized form.
10. The Client shall transmit his/its orders to the Stock Broker through the Internet over the Stock Broker's web site, or through telephone (wherever and whenever such facility is available and/or offered by the Stock Broker and as per predefined procedure of forwarding the order through a phone broking executive) through a sub-broker or in such manner as the Stock Broker may permit.
11. The Stock Broker shall have the right to retain and/or set-off and adjust any lawful amounts payable to the Client against any present or future receivables from the Client (whether accrued or contingent). More particularly, the Stock Broker shall have the right to:
  - a. set off and adjust all funds, receivables, margins of the Client lying with the Stock Broker, and/ or any amounts payable to the Client against all dues and receivables of, and amounts payable by the Client, across segments and/ or Exchanges for the settlement of dues and/or for margin requirements, of the Client, without any reference/ notice to the Client.
  - b. set off and adjust all securities of the Client lying with the Stock Broker across segments and/or Exchanges for the settlement of the Client's outstanding positions in any segment of Exchange, without any reference or notice to the Client.
  - c. set-off and adjust all funds, receivables, margins of the Client lying with the Stock Broker, as well as all securities of the Client lying with the Stock Broker against all present and future dues and receivables of, and amounts payable by, the Client in relation to any other service for the settlement of the Client's outstanding positions in relation to such other service, without any reference to the Client. The Client hereby waives any and all objection to, and hereby authorizes the Stock Broker to adjust/appropriate its funds, receivables and margins and/or securities as aforesaid.
12. The Stock Broker may, at its sole discretion, square-off any outstanding position(s) of the Client due to all or any of the following:

- a. shortage of margin.
- b. any restrictions in relation to volume of trading/ outstanding business or margins stipulated by the Exchange, clearing corporation/clearing house and/or the Stock Broker.
- c. delays by the Client in meeting his obligations/dues to the Stock Broker and/or the clearing corporation/ clearing house.
- d. any extraordinary event warranting such square off.
- e. any extraordinary movement in the market / particular script.

## RISK DISCLOSURE

13. The Stock Broker declares that it has brought out the contents of the risk disclosure document to the notice of the Client and made him aware of the significance of the said document and the Client states and agrees that he has read, understood, appreciated and signed the risk disclosure documents of the Exchange and has retained a copy thereof.

The Client agrees and declares as follows that:

- a. The Client shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted Derivatives contracts as fixed from time to time by the Exchange.
- b. The Client shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly, the Client would have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.
- c. The Client authorizes the Stock Broker, at the discretion of the Stock Broker should the Stock Broker deem it necessary for risk containment, to buy, sell or close out any part or all of the derivative contracts held in the Client's account with the Stock Broker. Any or all such incidental expenses incurred by the Stock Broker shall be reimbursed by the Client.

## PROVISIONS APPLICABLE SPECIFICALLY TO WEB, WIRED AND WIRELESS TELEPHONE BASED TRADING SERVICES

14. Stock Broker may offer broking services through the Internet through its web site 'www.rksv.in' ("the Website"). Stock Broker may also offer wireless and wired telephone based dial and trade broking services to the Client. Electronic broking services or wireless and/or wired dial and trade services or any other services through electronic mode shall be collectively referred to as "E-Trading Services". The provisions of this section shall apply to the E-Trading Services in addition to the remaining provisions of these terms and conditions.

15. Before availing of the E-Trading services the Client shall complete registration process, if any, as may be prescribed by the Stock Broker from time to time.

16. The Client shall follow the instructions given in the Website for registering himself as a client. Such formalities will include selection of preferred user ID, basic client information.

17. Stock Broker will provide the Client with a username, a trading password or other identification or security code/device by whatever name called, which will enable him to avail of the facilities of E-Trading through the Stock Brokers Website, over the telephone or in such other manner as may be permitted by the Stock Broker for availing the services. All terms regarding the use, reset and modification of such password shall be

governed by information on the Website or available upon request by the Client to the Stock Broker.

18. The Client is aware that the Stock Broker's system randomly generates the initial password, encrypts and passes on the password to the Client. The Client agrees and undertakes to immediately change his initial password upon receipt thereof. The Client is aware that subsequent passwords also are not known or available to the Stock Broker.

19. The services on the Website shall be available to the client subject to the terms and conditions mentioned thereof. The products specific terms and conditions shall be posted on the website. The use of any of the products by the clients shall mean that the client has accepted to the applicable products specific terms and conditions.

20. In any of the events referred to in Clause 22 the Client shall immediately change his password. However, if the Client is unable to change his password by reason of his having forgotten his password or his password having been unauthorizedly changed by some other person or for any other reason then the Client shall immediately request the Stock Broker in writing to discontinue his old password; and thereupon the Stock Broker shall cause the Stock Broker's E-Trading system to discontinue use of the Client's old password and the Stock Broker's E-Trading system shall generate a new password for the Client which shall be communicated to the Client. At no point in time shall the Stock Broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the password/ security identification details. The Client acknowledges that on intimation of any of the events referred to in Clause 22 the Stock Broker may, at its sole discretion if deemed necessary to do so, temporarily discontinue the availability of the E-Trading System to the Client for the purpose of generating a new password, which shall be communicated to the Client. It is clarified for the avoidance of doubt that the Stock Broker shall not, at any time whatsoever, whether or not such intimation is received by the Stock Broker and whether or not the Stock Broker has discontinued the availability of the E-Trading System to the Client, be liable in any manner whatsoever for any orders entered and transactions done by any person whosoever through the Website using the Client's username and/or trading password/ security identification details, the responsibility and liability for which will remain solely with the Client.

21. The Client shall be responsible for keeping the username, password and security identification details confidential and secure and shall be solely responsible for all orders entered and transactions done by any person who so ever through the Stock Broker's system using the Client's username, password and security identification details whether or not such person was authorized to do so. The Client shall ensure that he is the only authorized user of username, password and security identification details. The Stock Broker shall be entitled to presume that any orders or instructions entered or communicated using the Client's username, and password is the Client's own order or instruction or that of the Client's duly authorized representative subject to applicable guidelines of SEBI/Exchange. The Client will be fully responsible and liable for, and will pay or reimburse to the Stock Broker on

demand all costs, charges, damages and expenses incurred by the Stock Broker as a consequence of access and/or use of Client's account, Stock Broker's system or service by any third party using the Client's user-name, password and security identification details.

22. The Client shall remain logged off from the Website at any time the Client is not accessing or using the E-Trading service and any liability incurred to the Client as a consequence of the Client not logging off the service shall be borne solely by the Client.

23. The Stock Broker may from time to time, at its sole discretion, impose and vary limits on the orders that the Client can place through the Stock Broker's Website (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 or sell orders can be placed etc.). The Client is aware and agrees that the Stock Broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Stock Broker's risk perception and other factors considered relevant by the Stock Broker, and the Stock Broker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client agrees that the Stock Broker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the Stock Broker's Website on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the Stock Broker may, as a risk containment measure, at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in all or some of the securities/contracts through the Stock Broker.

24. 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 the Stock Broker's Website, the Stock Broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay and the Client hereby waives any claim for losses, costs, damages, expenses or otherwise against the Stock Broker in this regard. The Client agrees that the Stock Broker may, at its sole discretion, subject any order placed by a Client to manual review and entry, which may cause delays in the processing of the Client's order or may result in rejection of such order.

25. In case of a market order, the Client agrees that he will receive the price at which order was executed at the Exchange's computer system; and such price may be different from the price at which the security was trading when his order was entered into the Stock Broker's Website.

26. The Client understands and agrees that the Stock Broker may, at its sole discretion and without being required to assign any reasons therefore, discontinue his E-Trading service in part or in its entirety and change the terms of the service (including the terms of the Stock Broker's E-Trading Website) at any time and from time to time, with prior notice.

27. The Client agrees to hold the Stock Broker harmless from any claims and confirms that the Stock Broker shall not be responsible or liable for any loss, actual or notional, caused directly or indirectly as a result of failure on the Internet, unauthorized access, equipment failure, communications failure, or systems fail-

ure or any condition beyond the control of the Stock Broker that may prevent the Client from entering a transaction request or prevent the Stock Broker from executing a transaction request. The Client further agrees that the Client shall not be compensated by the Stock Broker for any "lost Opportunity".

28. The Stock Broker / Sub Broker / Authorised Person disseminating any data/message/information through the Web Site shall not be held liable for any error, inaccuracy, omission in or delay in the transmission or delivery of any such data, information or message.

## MARGINS

29. The Client shall make available the prescribed initial margin in the form of cash and/or in the form of approved securities ("the Margin") with the Stock Broker prior to commencement of trading and/or before placing every trade/order instructions. The Client may be permitted to trade up to a predetermined number of times of the Margin ("the Multiple") and the quantum of the Multiple on the margin shall be decided at sole option or discretion of the Stock Broker based on the specific stock or scrip or contract the Client intends to trade in. The Stock Broker shall have the irrevocable right to set off a part or whole of the Margin i.e. by way of appropriation 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 lawful dues of the Client. Any reference in these terms to sale or transfer of securities by the Stock Broker shall be deemed to include sale of securities, which form part of the Margin, maintained by the Client with the Stock Broker. The Client agrees that the choice of specific securities to be sold shall be solely at the Stock Broker's discretion. The Stock Broker shall have the sole and absolute discretion to refuse any particular form of margin offered by a Client. The Stock Broker shall be entitled in its sole discretion to revise the amount of and/ or modify or revise the type of margin it shall require/accept from the Client from time to time. The Client agrees that the Stock Broker shall be entitled in its sole discretion to require the Client to deposit with the Stock Broker a higher margin than that prescribed by the Exchange or any other applicable law. The Stock Broker shall also be entitled to require the Client to keep permanently with the Stock Broker margin of a value specified by the Stock Broker as long as the Client desires to avail of the Stock Broker's services herein. If any security offered as margin is found not to be of good delivery at any time after its deposit with the Stock Broker, the Stock Broker is entitled to reduce the amount of margins attributable to such security and the Client shall immediately replace the same, failing which the Stock Broker may revise the margin requirements of the Client and/ or square-off any outstanding position of the Client.

The Stock Broker is permitted in its sole and absolute discretion to collect additional margins (even though not imposed by the Exchange, the Clearing House or SEBI) and the Client shall be obliged to pay such margins.

a. Margin on Purchase The Stock Broker may require the Client to deposit interest free margin of such percentages as may be intimated by the Stock Broker from time to time on the price of the securities proposed to be purchased.

b. Margin on Sales The Stock Broker may require the

Client to deposit interest free margin of such percentages or the relevant securities as may be intimated by the Stock Broker from time to time on the price of securities proposed to be sold.

**c. Margins in Derivatives Contracts** In the derivative segment, the Client is liable to pay an initial margin up front on or before creating a position. Such margin shall be decided upon by the Stock Broker from time to time. Furthermore, the Client is liable to pay (or receive) daily margins depending on whether the price of the Derivatives contract moves for or against the position undertaken. The Client may also be liable to pay exposure margin, maintenance margin, withholding margin, special margins or such other margins as are considered necessary by the Stock Broker or the Exchange from time to time. The Client agrees to pay the option premium and daily Mark to Market losses in the form of cash only and not securities.

**d. Mark to Market Margin in Derivative Contracts** The Client also agrees to pay an upfront margin at the beginning of taking up a position that should cover the daily margins for the said position. If at any time during the period the said position is open or held, the cumulative Mark to Market (MTM) losses exceeds the available limits, in the Client's account, the Client agrees to replenish the loss. As the upfront margin is purely for operational convenience, the Client will ensure that the margins with the member are adequate at all times and will immediately make good any shortfall that is noticed on the Client's open position/s.

**e. Payment through Cheque/Demand Draft** In case where the payment by the client towards the margin is made through a cheque issued in favour of the Stock Broker, any trade(s) would be executed by the Stock Broker only upon the realization of the funds of the said cheque or at the discretion of the Stock Broker. The Client agrees to mention his Client code along with his name on the reverse of any instrument through which he makes the payment to the Stock Broker.

**f. Margin in form of Securities** The Client may, at the discretion of the Stock Broker, place margin with the Stock Broker in form of securities as approved by the Stock Broker. Such securities may at the discretion of the Stock Broker be marked as lien/pledge in favour of the Stock Broker from the depository account of the Client or such securities may be placed in a separate depository account of the Stock Broker. The Client may place/deposit only those securities that are acceptable to the Stock Broker. If at any time, a particular security ceases to be on the list of approved securities accepted towards margins, the Client shall provide such other margins as may be required in replacement of such security. The Client agrees and authorizes the Stock Broker to determine the market value of securities placed as Margin after applying a haircut that the Stock Broker deems appropriate at least at rates prescribed by the Exchange. The Client's positions are valued at the latest market price available ("Marked to Market") on a continuous and/or regular basis by the Stock Broker. The Client undertakes to monitor the adequacy of the collateral and the market value of such securities on a continuous basis. If due to price fluctuations, there is erosion in the value of the margins, the Client agrees to replenish any shortfall in the value of the Margins immediately. In case of

shortfall in margin due to reduction in value of securities placed as margin, the Stock Broker may square-off any outstanding position of the Client.

**g. Type of Margin:** The Stock Broker may at its sole discretion prescribe the payment of Margin in the form of cash instead of securities. The Client accepts to comply with the Stock Broker's requirement of payment of Margin in the form of cash immediately failing which the Stock Broker may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin or square off all or some of the positions of the Client as it deems fit in its discretion without further reference to the Client; and any resultant or associated losses that may occur due to such square off/sale shall be borne by the Client, and the Stock Broker is hereby fully indemnified and held harmless by the Client in this behalf.

**h. Margin with the Exchange:** The Client agrees that any funds or securities placed by him/her/it as Margin may in turn be placed as margin by the Stock Broker with the Exchange/Clearing House/Clearing Corporation as the Stock Broker may deem fit. The Client authorizes the Stock Broker to do all such acts, deeds, and things as may be necessary and expedient for placing such securities with the Exchange/Clearing House/Clearing Corporation as margin.

Shortfall in margins and other provisions:

**i. If payment/securities towards the Margin or shortfall in Margin is not received instantaneously to enable restoration of sufficient Margin in the Client's account, all or some of the positions of the Client as well as the securities of the Client may be liquidated by the Stock Broker at its sole discretion, without any reference or prior notice to the Client. The resultant or associated losses that may occur due to such squaring off or sale of such securities shall be borne by the Client and the Stock Broker is hereby fully indemnified and held harmless by the Client in this behalf. Such liquidation or close out of positions shall apply to any segment in which the Client does business with the Stock Broker.**

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

**i. Amendment in Margins:** Any amendment in the percentage of margins as required to be maintained under the terms and conditions mentioned herein shall be intimated by the Stock Broker to the Client over the telephone or in writing or by e-mail and by posting the amended details on the Website. The Client is required to make or replenish the shortfall in such margins, if any, immediately.

**j. In the event of shortfall in margin, the Stock Broker, without being under obligation to do so, may check the availability of additional limits in the Client's account in order to restore the margin level to the initial margin levels and in the event of no such additional limits being available in the Client's account, the Client's open positions may be squared off by the Stock Broker at its discretion.**

**k. The Client agrees that at all times ensure that available margin is always above the margin requirement**

specified by the Stock Broker for a particular position. The Client agrees and accepts that since the Stock Broker provides trading facility through the Internet, it may not be possible for it to inform the Client about any short fall in margin requirement, if any, individually.

- I. In the event of any change in margin percentage by the Exchange, the Stock Broker may change the applicable margin percent immediately and shortfall in margin on Client's open position as a result of the same shall be dealt with in the same manner as specified for shortfall in margins specified hereinabove.
- II. The client shall when called upon to do so forthwith from time to time provide a Margin Deposit and / or furnish additional Margin in respect of the business done for the client by and / or as agreed upon by the client with the stock broker.

## TRADING, SETTLEMENT AND ACCOUNTS

30. The Client agrees that all orders placed by him for securities whether through the Website, through any dial and order facility or otherwise shall be within the parameters defined and mentioned in the terms and conditions specified by the Stock Broker. An open positions created by the client in the Intraday margin segment shall be squared off by the stock broker starting from cut-off time in normal course. Hence client may not be able to square off the above position on his own after cut-off time. The stock broker shall not be liable for any loss emanating from such square off, delayed square off or non square off. The cut-off time shall be the time as mentioned on the web-site or otherwise as intimated from time to time.
31. Upon execution or cancellation of any order placed through the Stock Broker's system, the Client shall be given a confirmation, on the Website or electronic mail or SMS or any other means after the execution of the order/trade and this shall be deemed to be valid delivery thereof by the Stock Broker. It shall be the responsibility of the Client to review, immediately upon receipt, whether delivered to him on line, by postal mail or by courier or by electronic mail or SMS or posting on website or any other electronic means, all confirmation of orders, transactions, or cancellations.
32. The Client shall bring any errors in any report, statement, account, confirmation or contract note of executed trades (including executions prices, scrips, or quantities) issued on daily basis to the Stock Broker's notice in writing or by an electronic mail in accordance with Rules, Regulations and Bye-Laws of the relevant Stock Exchange that may be in force from time to time.
33. There may be a delay in the Stock Broker receiving reports of transaction(s)/status from the respective exchanges or other agencies in respect of or in connection with which the Stock Broker has entered into contracts or transactions on behalf of the Client(s). Accordingly the Stock Broker may forward to the Client late reports in respect of such transactions that were previously unreported to him as being expired, cancelled or executed. The Client shall not hold the Stock Broker 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 the Exchange or any agencies.
34. The Client agrees that if, in any circumstance or for any reason, the market closes before the acceptance

of the order by the Exchange, the order may be rejected. The Client agrees further, that the Stock Broker 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 reprocessed, in any event.

35. The Stock Broker based on its risk management system may reject any order placed on the Website or in any other manner for 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 Intraday margin trading, suspension of scrip for trading activities by or on the Exchange, and the applicability of circuit breaker to a scrip in which orders are placed.
36. The Client agrees that where an order has been placed through the Website and such order is not accepted on the Website for any reason, the Stock Broker shall have the right to treat the order as having lapsed.
37. The Client is aware that the electronic trading systems either at the Exchange or in the Stock Broker's offices are vulnerable to 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, the Client may not be able to execute the desired transactions. In such event the Stock Broker does not accept responsibility for the losses, costs, expenses or damages that may be incurred by the Client due to such eventualities.
38. The systems used by the Stock Broker for providing E-Trading services or dial up services are generally capable of assessing the risk of the Client as soon as the order comes in, however due to any reason whatsoever, if the order is processed without sufficient risk cover from the Client, the Client shall be bound by such trade and shall provide such sum as may be required to meet his liability under the trade.
39. Cancellation or modification of requests:
  - a. Due to technical or 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 the Stock Broker has confirmed the same in writing.
  - b. The Client agrees that any request for cancellation or modification of an order/bid/application shall be subject to such order/bid/application not having been acted upon or already having been executed or it being outside the control of the Stock Broker to undertake the cancellation or modification to such order/bid/application.
40. The Stock Broker shall issue contract notes in terms of the SEBI (Stock Brokers and Sub-Brokers) Rules and Regulations, 1992 within 24 hours of the execution of the trade. Such contract notes may be sent by a digitally signed electronic mail and posted on the Website or if issued in physical form, shall be dispatched by the Stock Broker by courier/mail post or through any other approved medium of communication, at the address mentioned in the Application for opening the trading account or at any other address expressly informed to the Stock Broker by the Client.

If the Client consents and agrees to the Stock Broker issuing the contract note in digital form and receiving the same by means of electronic communication. The Client acknowledges and agrees that non-receipt of bounced mail notification by the Stock Broker shall amount to delivery of the contract note at the e-mail ID of the Client. The email address of the Client for the purpose of receiving the contract notes shall be the address as available with the Stock Broker.

Notwithstanding anything contained herein, the Stock Broker may send contract notes, bills or statements of account or trade confirmations by email or by courier/mail post at the address mentioned in the client registration form or at any other address expressly informed by the Client. The Stock Broker shall not be responsible for non-receipt of trade confirmations/ contract notes due to any change in the correspondence address of the Client and the same not intimated to the Stock Broker in writing. The Client is aware that it is his responsibility to review trade confirmations, contract notes, bills or statements of account immediately upon their receipt. All information contained therein shall be binding upon the Client, if the Client does not object to the Stock Broker in writing to any of the contents of such trade confirmation / intimation within appropriate time.

41. Any communication if sent by the Stock Broker in electronic form shall be to the designated e-mail address of the Client and through access to the web site of the Stock Broker. The client may request stock broker to send electronic contract notes, margin statement /report, statements of funds and securities, daily activity statement (DAS) and other communications & reports to the email id of the client registered with the company.
42. In the event of the Stock Broker unable to recover any amount due from the Client from the bank account of the Client, the Client agrees to pay the amount due without demur on demand being made by the Stock Broker in that regard. The Client also authorizes the Stock Broker to sell securities of the Client to recover dues owed by the Client to the Stock Broker.

## **CONDITIONS GOVERNING TRADING IN SECURITIES OTHER THAN ON THE FLOOR OF THE STOCK EXCHANGE**

43. The Client undertakes to read all the relevant offer documents and terms and conditions of all schemes of all mutual funds, other securities including Initial Public Offerings, Follow up offers, Buy Back Offers, other investment or trading or insurance products etc before entering into any transactions.
44. The Stock Broker or the concerned Mutual Fund/Issuer/agency or their respective registrars may entertain online transaction requests and/or requests made through telephone in the manner provided under these terms and conditions or on the Website.
45. For change of address and personal details of the Client, the Client shall send a letter to the Stock Broker duly signed by all the co-holders.
46. The Client is requested to check up the personal and bank related details provided by him. Neither the Stock Broker nor any of the Mutual Funds/Issuers/agency chosen shall accept any liability that may arise as a consequence of the erroneous information provided by the Client.

47. In case of Mutual Fund, the units of schemes shall be allotted, redeemed or switched, as the case may be, at the Net Asset Value (NAV) prevalent on the date of the application, if the application for purchase, redemption or switch is received by the Fund Houses before the cut off time as specified on the Website and consistent with terms of the Scheme. The Stock Broker shall take all necessary action to ensure that the NAV allotted is the NAV applicable on the date of the transaction with the Mutual Fund. However the Stock Broker shall not be liable for any loss that may arise to the Client as a result of the correct NAV not being allotted to the Client's transactions. Any request falling due on holiday would be processed on the next business day and respective NAV would be applicable as per the Mutual Fund offer document.
48. In case of other securities or financial products, the order for purchase, sale, offer under buy back etc. shall be accepted by the Stock Broker only if the same is received by the cut-off date as indicated on the Website and consistent with the terms of the offer.
49. The Client can view his/her/its transactions on the Website.
50. The Stock Broker does not accept any liability for delay in processing time at the Mutual Fund's/Issuer's/Registrar's end.
51. It is explicitly stated herein that the Stock Broker has not recommended any Mutual Fund Schemes/ Other Schemes offered by the Stock Broker on the Website or otherwise.
52. Neither the Stock Broker nor any of the Mutual Fund AMCs nor the concerned Issuer shall be liable for any failure to perform its obligations, to the extent that such performance has been delayed, hindered or prevented by systems failure, network errors, delay or loss of data and in circumstances of acts of God, fire, floods, earthquake, tsunami, epidemics, quarantine, riot, civil commotion, act of terror, war, and act of state.
53. Subscription to Initial Public Offerings (IPO) and follow on others : The Client agrees that in the event of the Client applying for IPO through the Website or otherwise through the Stock Broker, the Stock Broker shall not be held responsible for non-allotment of securities either fully or partly to the Client, for any reason whatsoever. The Stock Broker shall not be held responsible for any reason whatsoever if the bid/application/revision instruction sent by the Client is not received by it, or if the bid/ application/revision could not be uploaded to the Stock Exchange, or could not be sent to the Banker / Registrar to the issue. The Stock Broker shall not be held responsible for non-receipt or delay/incorrect receipt of refund, if any, from the Issuer Company. The Stock Broker shall not be held responsible for incorrect Tax deduction at Source by the Issuer Company, if applicable, or for non-receipt or delay/incorrect receipt of TDS certificate, if any, from the Registrar/ Company.
54. Online Subscription to Mutual Funds through the Website: The Client agrees that -
  - a. The Client shall not approach the Asset Management Company (AMC)/Registrar directly for any transaction under the folio created for any investment in Mutual Fund through the Website but route the same to the stock broker. Any prior transactions of the Client shall continue to be with the existing folio

maintained with the respective AMCs/ Registrars and the Client shall not make any transactions under the existing folio through the Website. In such event the AMC/Registrar may reject the transaction and the Client shall not hold the Stock Broker or AMC/Registrar responsible.

**b.** The Client authorizes the AMC/Registrars to maintain a separate folio for investment made through the Website.

**c.** The Client authorizes the Stock Broker to create only one issuer folio for the client per AMC in their books.

**d.** The Client understands that the account statements may not be issued by the respective AMCs/registrars for transactions done through the Website. The Stock Broker will provide the same in electronic mode on the website.

**55.** (1) The Stock Broker shall not be liable for any failure or for any loss, damage or other costs arising in any way out of:

**a.** System failure including failure of ancillary or associated systems or fluctuation of power, or other acts of God/force majeure;

**b.** Accident, transportation, neglect, misuse, errors, frauds of the Client's or agents or any third party; or

**c.** Any fault in any attachments or associated equipment of the Client;

**d.** Any incidental, special or consequential damages including without limitation of loss of profit.

**57.** (2) The client agrees that the stock broker may send any document that is obligatory to be send to the client by means of electronic communications. This electronic communication may be in the form of e-mail attachments and/or download/display available on the stock broker website. The stock broker would be deemed to have fulfilled its legal obligation to deliver the documents to the client, if it is send by electronic mode.

## **BANKING / DEPOSITORY RELATIONSHIP AND BANK / DEPOSITORY ACCOUNT(S)**

**56.** The Client agrees that the Stock Broker may, at any time, during the subsistence of any arrangement relating to the subject matter of these presents, require the Client to open one or more accounts with a designated bank and a designated depository participant. The Client agrees that the debit/credit for all the transactions may be effected in this/these accounts.

**57.** The Client agrees that to the extent permitted by the law for the time being in force, any instructions issued or given by the Stock Broker pursuant to the authority conferred upon the Stock Broker, if any, will be given first priority over any instructions or cheques given or issued by the Client and that funds or securities once blocked on the instructions of the Stock Broker in connection with a trade/ transaction entered into or to be entered into by the Client or on behalf of the client with or through the Stock Broker can be released only with the express written consent of the Stock Broker. The Client further agrees that if the Stock Broker has given any blocking, holding, debit or other instructions in respect of any funds or securities in connection with a trade/ transaction entered into or to be entered into by the Client with or through the Stock Broker and the designated bank and/ or the depository participant receives transfer, debit or other instructions in respect

of such funds or securities from the Client or any other person, then such bank and/ or the participant shall first give effect to the instructions issued by the Stock Broker on a first priority basis.

**58.** The Client agrees to ratify and confirm all acts, deeds, matters and things that the Stock Broker may do pursuant to such authority as if the same were done by the Client himself/itself.

**59.** The Client agrees that orders, instructions and other communication given or made over the telephone may be routed through the Stock Broker's interactive voice response or other telephone system and may be recorded by the Stock Broker. The Client also agrees that such recording and the Stock Broker's records of any orders, instructions and communication given or made by the Client or the Stock Broker by electronic mail, fax, or other electronic means shall be admissible as evidence.

**60.** The Client agrees that the Stock Broker shall have the right at any time during the subsistence of the trading account, and hereby authorizes the Stock Broker, to give any instructions pursuant to transactions executed in the trading account and/or these terms and conditions with the designated bank. The client agrees that he shall have no cause of action in respect of any instruction that may be given to the bank in respect of the accounts maintained with such bank in pursuance of these presents and hereby agrees to ratify and confirm all that the Stock Broker or such bank may do pursuant to such authority.

**61.** The Client agrees that in the event, the designated bank terminates the agreement/its relationship with the Client in respect of the bank account maintained by the Client with the designated bank for any reason or informs the Stock Broker of any misdemeanor or transgression by the Client in the operation of the account or in any other circumstance resulting in the closure or in operation of the said bank account with the designated bank, the Stock Broker may, at its discretion, suspend its services to the Client.

**62.** The Client confirms that the bank account linked/to be linked to the trading account is the valid bank account of the Client.

## **TRADING ACCOUNT AND MAINTENANCE THEREOF**

**63.** The parties hereto agree as follows:

**a.** Money pay in to Stock Broker: The Client agrees that all payments due to the Stock Broker will be made within the specified time and in the event of any delay, the Stock Broker may refuse, at its discretion, to carry out transactions on behalf of the Client. The Client agrees that alternatively, the Stock Broker may, at its sole discretion, square off such 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 the Stock Broker shall be from the account of the Client and shall not be from any third party.

**b.** Securities pay in to Stock Broker: All delivery to be effected to the Stock Broker for a trade must be made within 24 hours from the execution of the sale order or 1 day prior to pay in date whichever is earlier, or at time of placing trade order at sole discretion of the Stock Broker. Losses, if any, that may accrue in the event of default in completing the delivery on the Exchange by the Stock Broker 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 etc, 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 the Stock Broker or third party payment shall be made to the Stock Broker. If the Client has sold any securities in anticipation of receipt of 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.

**c.** **Securities pay out by Stock Broker:** The Stock Broker may directly credit the demat account of the Client with the depository participant. 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 is due from the Client, the Stock Broker may withhold the credit of securities to the demat account of the Client. The Client authorizes the Stock Broker to withhold the securities to meet liabilities of Client to the Stock Broker under these terms and conditions.

**d.** **Stock Broker at its discretion is entitled to consider any sum or money or security lying to the credit of the Client as margin received.**

## **REPRESENTATIONS AND WARRANTIES**

- 64.** The Client hereby warrants that he is capable of the dealing in securities and is aware of the risks in dealing in securities market.
- 65.** Though these terms and conditions have been divided into sections governing transactions in various segments/services, the same shall be binding on the parties in their entirety. Confirming these terms and conditions governing transactions in multiple segments/services shall not be a reason for disputing any transaction or account of Client with Stock Broker.
- 66.** The Client states that he has opened/agrees to open a valid and subsisting demat account with the depository participant suggested by the Stock Broker.
- 67.** The Client agrees to provide and continue to provide all details about him/themselves as may be required by the Stock Broker including, but not limited to, PAN or Unique Identification Number (mandated by SEBI) and states that all details and facts represented to the Stock Broker are true.
- 68.** The Client warrants that all or any securities deposited by him with the Stock Broker in respect of margin requirements or otherwise are owned by him and that the title thereof is clear and free of encumbrances.
- 69.** The Client shall abide by the provisions of the Exchange and the terms and conditions stipulated by the member and in force from time to time. Any changes in the terms and conditions governing the provisions of E-Trading services would be intimated to the Client by electronic mail and/or posting of the same on the Website or in writing at sole discretion of the Stock Broker.

## **FEES AND BROKERAGE**

- 70.** **Commissions, Brokerage and charges:** All commissions and charges leviable on transactions in securities pursuant to these terms and conditions shall be payable as mentioned below:

**a.** The Client agrees to pay the Stock Broker brokerage, commission, fees, transaction charges, service tax, stamp duty, SEBI turnover charges, securities transaction tax and other taxes as they exist from time to time and as they apply to the Client's account and transactions, and for the services that he receives from the Stock Broker. Any revision in brokerage will be made only after giving 15 days notice by way of communication through email and through website. The Stock Broker shall charge brokerage to the Client at a rate intimated in writing and as may be mutually agreed and modified from time to time. The stock broker may specify different structure of charges for executing transaction instructions received from the client through different channels and the client agrees to abide by such structure of charges.

- 71.** **User Fees/Other Charges:** The Client agrees that the Stock Broker may charge user fees for the use of any other services including but not restricted to E-Trading ancillary services, use of website platform and dial up services at rates mentioned on the Website or otherwise intimated and as modified from time to time with prior notice of 15 days. The Stock Broker may charge all other charges in the manner intimated on the Website or in any other manner from time to time including but not limited to membership fees, subscription fees, renewal fees, access fees, commissions, Service Tax, Turnover Charges, Tax Expenses incurred, Stamp duty etc. as applicable. All other charges will be mentioned on the Tariff sheet. Any charge will be mutually agreed and levied between the client and member.

## **DEFAULT**

- 72.** The Client agrees that he shall be deemed to have defaulted these terms in circumstances including, but not restricted to the following:
  - a.** Any delay in payment of dues, margins, charges or delivery of securities in respect of the transactions executed by the trading member on behalf of the Client.
  - b.** Any misrepresentation or false statement or omission or misleading information supplied by the Client to the Stock Broker.

## **CONSEQUENCES UPON DEFAULT**

- 73.** In the event of default under these terms and conditions by the Client, the Stock Broker shall be entitled to any or all of the following courses of action:
  - a.** Termination of provision of services.
  - b.** Other remedies as may be available in terms of the law in force at that point of time.
  - c.** Arbitration as provided in the Rules, Regulations of the Exchange(s).
  - d.** Charge of an amount that shall not exceed the actual losses incurred by the Stock Broker consequent to the default along with interest at market rates (2 % per month).
  - e.** The Client agrees that without prejudice to any other remedy or right prescribed in these presents, the Stock Broker may charge interest at 2 % per month or such other rate as may be communicated through approved modes from time to time for any delay in the payment of charges, margin or any other lawful sum due to the Stock Broker as the case may be.

## **LIEN / SET OFF**

- 74.** Notwithstanding anything contrary contained in these terms and conditions, the Stock Broker shall have unrestricted right of lien and set off.

**75.** All funds of the Client in the account shall be subject to lien for the discharge of any or all payment due to the Stock Broker from the Client, whether under these terms and conditions or otherwise, or in respect of any other lawful obligation that Client may have to the Stock Broker.

**76.** All securities with the stock broker shall be subject to lien for the discharge of any or all lawful payments due to the Stock Broker, whether under these terms and conditions or otherwise and may be held by the Stock Broker and held as security against default by the Client in respect of the services already availed of by the Client.

**77.** The enforcement of the lien aforementioned shall be at the sole and complete discretion of the Stock Broker, and the Stock Broker alone may decide the securities to be sold, if any.

**78.** The Client authorizes the Stock Broker to block funds/ ledger balance/securities against pending order or pledge securities in favour of the Stock Broker against any of his dues/margins.

**79.** The Client:

- a.** Authorizes the stock broker to pay on behalf of the client the amounts due from the client towards demat charges payable to RKS Securities India Pvt. Ltd., Charges payable to other service providers associated with [www.rksv.in](http://www.rksv.in) and also recover / adjust the above payment from the clients A/c maintained with the stock broker.
- b.** Requests the stock broker to adjust account balances due on account of one Exchange with another exchange and vice versa.

## INDEMNITY

**80.** The Stock Broker shall be indemnified by the Client in case of any action initiated against Stock Broker by any party not privy to this mandatory and client registration document and it shall be the duty of the Client to bear out of their funds all costs, losses and expenses which Stock Broker may incur or become liable to pay by reason of any event in the course of the use of the said services to the Client.

**81.** The Client shall indemnify and keep indemnified the Stock Broker harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, penalties, fines, levies, imposts, charges and/or expenses that are occasioned or may be occasioned to the Stock Broker directly or indirectly as a result of bad delivery of shares/securities and/or as a result of fake/ forged/ stolen shares/ securities/ transfer documents that are introduced by or through the Client during the course of his dealings/operations on the Exchange.

**82.** The Client shall indemnify and keep indemnified the Stock Broker harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, penalties, fines, levies, imposts, charges and/or expenses that are occasioned or may be occasioned to the Stock Broker directly or indirectly on account of a breach by the Client of its representations, warranties, covenants, undertakings and obligations herein.

**83.** The Client hereby agrees to indemnify the Stock Broker against any loss, costs, expenses etc that may be suffered by the Stock Broker or against any claim, demand, action, proceeding that may be initiated against the Stock Broker or its agents, or non compliance of any applicable rules and regulations or arising

out of or in connection with breach of any of the Client obligations under these terms and conditions or any modification thereto.

## MISCELLANEOUS AND OTHER TERMS AND PROVISIONS

**84.** Stock Broker may adopt any such processes or procedures to verify the genuineness of the Client and the documents submitted by the Client from time to time and Client agrees to comply with such processes and procedures. Such processes and procedures may involve appointment by Stock Broker of an outside agency and the Client does not object to the same.

**85.** The invalidity or unenforceability of any provisions of these terms and conditions in any jurisdiction shall not effect the validity, legality or enforceability of the remainder of the terms and conditions in such jurisdiction or the validity, legality or enforceability of these terms and conditions, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder shall be enforceable to the fullest extent permitted by law.

**86.** The heading of each provision hereof is for descriptive purposes only, and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

**87.** The Client shall at all times continue to be responsible for any transactions ordered on his accounts prior to the cancellation of the services. If the service is withdrawn for a reason other than the breach of the terms and conditions by the Client, the liability of the Stock Broker shall be restricted to the return of the pro rata annual charges, if any, recovered from the Client for the period in question. The closure of the accounts of the Client shall automatically terminate the web based brokerage service facilitated by the Website and the Stock Broker may suspend or terminate E-trading services without prior notice if the Client has breached these terms and conditions or it learns of the death, bankruptcy or legal incapacity of the Client.

**88.** No forbearance, relaxation, failure or delay by the Stock Broker in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege. The rights and remedies available to the Stock Broker herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

**89.** Investment or other advice:

- a.** The Client agrees that none of the services available on the Website or through any literature or brochure issued by the Stock Broker shall amount to investment advice on the part of the Stock Broker.
- b.** The Client may access or be able to access investment research reports or opinions through the Internet or the Website including but not limited computerized online services or other media. The availability of such information does not constitute a recommendation to buy or sell or hold or transact in any of the investment products or securities available or made available with or by the Stock Broker. Any and all investment decisions will be based on the Client's own evaluation of financial circumstances and investment objectives and Client's assessment of capital to be put to risk. Any real time quotes provided are only for Client's individual use and Client shall not furnish

such data to others.

**c.** The Client agrees that each participating exchange or association or agency or individual or person that supplies any data displayed on the Website asserts a proprietary interest in such data. Neither the Stock Broker nor any participating exchange or association or agency or individual or person or any supplier of market or market based data guarantee the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages made available on the Website and the same are available on an "as is" basis without warranties of any kind, either express or implied including without limitation those of merchantability and/ or fitness for a particular purpose.

**90.** No Waiver: The failure on the part of the Stock Broker from taking any action against the Client for any breach or breaches of these terms and conditions shall not constitute a waiver by the Stock Broker of any subsequent or continuing breach thereof by the Client.

**91.** Force Majeure: The Stock Broker shall not be responsible for delay or default in the performance of its obligations due to contingencies beyond its control including but not limited to losses, delays or defaults caused directly or indirectly by Exchange or market rulings, suspension of trading, fire, flood, civil commotion, earthquake, war, tempest, arson, riot, act of state, act of terror, strikes, failure of the systems or network, failure of internet links, or government/ regulatory action.

**92.** In these terms and conditions the singular shall include the plural where the context so admits and vice versa.

**93.** The masculine shall include the feminine and the neutral and vice versa.

**94.** The Client agrees to abide by operational procedures laid down by the Stock Broker regarding banking transactions, demat transactions, billings etc. and any changes made therein to these procedures from time to time and mentioned on the Website.

**95.** The Stock Broker may send bill or any other information to the Client through mail post/courier/electronic form or through any other medium of communication.

**96.** Prevention of Money Laundering Act 2002

**97.** The client shall always be subject to the provision of Prevention of Money Laundering Act 2002 and Rules, Guidelines framed there under and any amendments / modification thereto from time to time. Clients hereby agree to abide by the said Act, Rules and Regulation or guidelines. The stock broker shall not be held responsible for non compliance of any applicable rules and regulations or breach of any of the Rules and Regulation or guidelines by the client.

**98.** Jurisdiction

**a.** Indian Jurisdiction: The Stock Broker and the Client declare and agree that the transactions executed on the Exchange are subject to the Rules, Bye-Laws and Regulations and circulars issued there under of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Bye Laws and regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Bye Laws and Regulations of the Exchange and the circulars issued there under. The Stock Broker hereby agrees that it shall ensure faster settlement of

any arbitration proceedings arising out of the transactions entered in to between the Stock Broker and the Client and that it shall be liable to implement the arbitration awards made in such proceedings.

**b.** Foreign Jurisdiction: This service does not constitute an offer to sell or a solicitation of an offer to buy any shares, securities or other instruments to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. This service is not intended to be any form of an investment advertisement, investment advice or investment information and has not been registered under any securities law of any foreign jurisdiction where it may be unlawful to offer such a service. Further no information on the website is to be construed as a representation with respect to shares, securities or other investments regarding the legality of an investment therein under the respective applicable investment or similar laws or regulations of any person or entity accessing the website.

**99.** The Stock Broker discloses herewith that it undertakes proprietary trading from time to time.

**100.** Without limiting the generality of the foregoing, the Stock Broker specifically disclaims any guarantee or warranty that (a) the E-Trading Services will be secure, uninterrupted or error free (b) that there are no viruses or harmful content on or in the Website or the E-Trading Services, or (c) that the content on the Web Site are correct, accurate, reliable, timely, legal and of any specific quality.

**101.** The client authorizes the Stock Broker to share the Client related information with its Sub Broker / Authorised Persons, and with service providers rendering service to the Client. The Client agrees that under no circumstances, shall the Stock Broker or anyone involved in creating, producing, delivering or managing the E-Trading Services be liable for any direct, indirect, incidental, special, general, remote or consequential damages arising out of the use or inability to use or the availability or non-availability of the said services including, but not limited to loss or damage in relation to, (a) loss of profits, trading losses, loss of opportunity or damages that result from interruption, delay or loss of the use of the service (b) any claim, loss or damage attributable to errors, omissions or other inaccuracies in the content or data on the Web Site, (c) any unauthorized use, access or alteration or discontinuance of the said services, or (d) any other matter relating to the said services.

Certain securities may grant the holder thereof valuable rights, that may expire unless the holder takes action. The Client shall be responsible for knowing the rights and terms of all securities acquired by the Client and the Stock Broker shall not be obliged to notify the Client of any upcoming expiration or redemption dates, or take any other action on the Client's behalf, except as required by law and applicable Exchange provisions. The Client shall also be responsible for knowing about re-organizations related to securities which the Client holds including, but not limited to stock splits. If due to a reorganization or book-keeping or data entry error, the Client sells more security than what is actually owned by the Client, then the Stock Broker shall not be responsible for any losses that the Client may incur by reason thereof.

The Client agrees that the Stock Broker, its directors, employees, partners, agents, sub brokers, authorised

persons and associated concerns shall not be liable or responsible for any loss or liability caused or incurred directly or indirectly due to any act or omission of the Client or any loss of opportunity, actual or perceived, caused directly or indirectly by government restrictions, change in law, act of God, Exchange or market rulings or regulation, suspension of trading, war, earthquakes, fire, flood, accident, strikes, power failure, communication line failure, system or telephone failure, security failure on the internet, equipment, computer, communication, telephone, system or software failure, malfunction, hacking, unauthorized access, theft, strikes, or any problem, technological or otherwise, that might prevent the Client from entering, or the Stock Broker from executing an order, or any other conditions beyond the Stock Broker's control.

The Stock Broker shall not be liable for any error or delay in, or omission from, any data, information, or message on the Web Site, the E-Trading Service and/or the broking / trading services generally, or the delayed interrupted or improper transmission or delivery of any data, information, or message, or any loss or damage arising from or occasioned by the above. Further, the Stock Broker shall not be liable for any failure to execute an invalid, incomplete or inaccurate Client order.

The Client understands and agrees that the services offered by the Stock Broker herein are being provided by the Stock Broker with the assistance and technology of some third parties. The Stock Broker disclaims liability and responsibility, and the Client agrees and accepts that the Stock Broker shall not be liable or responsible, for and in relation to any and all loss or damage (real or notional) incurred or suffered by the Client or anyone else as a result of any action, advice, failure or default attributable to such third party.

**102. Notice** Any communication to be given by the Client

to the Stock Broker in connection with these terms and conditions shall be in writing and shall be deemed duly served if delivered personally or by prepaid registered post to the address being RKS Securities India Pvt. Ltd.: 212, Trade Centre, BKC, Bandra (E), Mumbai – 400098.

Any notice, to be given by the Stock Broker to the Client in connection with these terms and conditions shall be in writing and shall be deemed duly served if sent, by courier or prepaid registered post to the address, or the e-mail address available with the Stock Broker. Notwithstanding anything stated above, communication relating to order, margins/ collateral, maintenance calls and other similar matters by the Stock Broker to the Client may at the option of the Stock Broker, be communicated to the clients or its representative orally and/or by facsimile/mail/posting on the website by the Stock Broker. The representative shall be as per applicable laws, rules and regulations of exchanges/SEBI.

**103.** The client may terminate this letter of confirmation / document at any time by giving a notice of 30 days to RKS Securities India Pvt. Ltd. In such an eventuality, RKS Securities India Pvt. Ltd may terminate the e-trading facility offered to the client.