

Sr. No. :

Client Code : _____

Client Name : _____

K M JAIN STOCK BROKERS PVT. LTD.

CIN No. : U67120MH1997PTC112227

1306,Marathon Icon, off G.K.Marg, Lower Parel – W, Mumbai - 400 013. Ph # 4973 4185 • Fax # 4973 4186
Email ID: accounts@kmjpl.com • Website: www.kmjpl.com



Member : Bombay Stock Exchange ; National Stock Exchange ; MSEL • Depository Participant - CDSL
Sebi Reg # INZ000223637
Investor Grievances E-mail ID: grievances@kmjpl.com

ANNEXURE I
INDEX OF DOCUMENTS

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K. M. JAIN STOCK BROKERS PVT LTD

CIN No. : U67120MH1997PTC112227

BSE Member Code No. 352

SEBI Reg # : □BSE INZ000223637

(CM & FO)

SEBI Reg date: 31 DEC 1997/

21 FEB 2019

NSE Member Code No. 09902

□NSE INZ000223637

(CM & FO)

01 SEP 2005/

21 FEB 2019

MSEL Member Code No. 11820

□MSEL INZ000223637

(CM)

07 FEB 2013/

21 FEB 2019

Registered Office : 631, P. J. Towers, Dalal Street, Mumbai - 400 001.

Tel. : 4973 4181 | **Fax :** 4973 4186

Website : www.kmjpl.com

Corporate / 1306, Marathon Icon, Off Ganpatrao Kadam Marg, Lower Parel – (West),

Correspondence Add. : Mumbai - 400 013.

Tel. : 4973 4182 | **Fax :** 4973 4186

Website : www.kmjpl.com

Compliance Officer

Name : Mr. Anand Jain

Telephone No. : 022 – 4973 4181

Email ID. : accounts@kmjpl.com

CEO/Director

Name : Mr. Anand Jain

Telephone No. : 022 – 4973 4181

Email ID. : accounts@kmjpl.com / kmjainmumbai@gmail.com / kmjpl@rediffmail.com

CM PAY - IN ACCOUNT DETAILS

	NSDL CMBP ID	CDSL Clearing Member A/c
BSE	IN603527	12024900 00000179
NSE	IN512913	12024900 00003317
MCX-SX	IN473076	12024900 00012957

INVESTOR GRIEVANCES

For any grievance/dispute please contact K. M. JAIN STOCK BROKERS PVT. LTD. at the above address or

E-mail ID for investor grievances: grievances@kmjpl.com

BSE - Investor Grievance Cell	NSE - Investor Grievance Cell	MCX SX- Investor Grievance Cell
Tel. No. : 022 2272 8016/97	Tel. No. : 022 2659 8190: : 1800 220 058	Tel. No. : 022 6731 9000
E-mail Id : is@bseindia.com	E-mail Id : ignse@nse.co.in	E-mail Id : investorcomplaints@mcx-sx.com

ANNEXURE II

K. M. JAIN S TOCK BROKERS PVT. LTD.**KNOW YOUR CLIENT (KYC) APPLICATION FORM
For Individuals**

Individual /
First Applicant /
Side Holder
Trading Account
3.5 cm x 3.5 cm Size
Colour photograph only
and sign across it

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

A. IDENTITY DETAILS

- Name of the Applicant :**
- Father's/ Spouse Name :**
- a. Gender:** ☐ Male ☐ Female **b. Marital status :** ☐ Single ☐ Married
- c. Date of birth:**
- a. Nationality:**

b. Status: ☐ Resident Individual ☐ Non Resident ☐ Foreign National
- a. PAN:**
- b. Unique Identification Number (UID) / Aadhaar, if any:**
- Specify the Proof of Identity submitted:** _____

B. ADDRESS DETAILS

- Address for Correspondence:**

 City/town/village:

Landmark

 Pin Code:

State

 Country
- Contact Details:** Tel. (Off.) :

 Tel.(Res.):

Mobile No.

 Fax

E-mail:
- Specify the Proof of Address submitted for Correspondence Address:** _____

4. Permanent Address (if different from above or overseas address, mandatory for Non-Resident Applicant):

-
-
-
-
-
- City/town/village
-
-
- Landmark
-
- Pin Code:
-
-
- State
-
- Country
-
-
- Contact Details: Tel.(Off.):
-
- Tel. (Res.) :
-

5. Specify the Proof of Address submitted for Permanent Address: _____**C. OTHER DETAILS****1. Gross Annual Income Details (please specify):**

Income Range per annum: ☐ < 1 Lac ☐ 1 - 5 Lacs ☐ 5 - 10 Lacs ☐ 10 - 25 Lacs ☐ > 25 Lacs

or

Net-worth as on

Rs. _____

(Net worth should not be older than 1 year)

2. Occupation

(Please tick any one and give brief details):

- | | | | |
|---|---|--|------------------------------------|
| <input type="checkbox"/> Private Sector | <input type="checkbox"/> Public Sector | <input type="checkbox"/> Government Business | <input type="checkbox"/> Business |
| <input type="checkbox"/> Professional | <input type="checkbox"/> Agriculturist | <input type="checkbox"/> Retired | <input type="checkbox"/> Housewife |
| <input type="checkbox"/> Student | <input type="checkbox"/> Other (Specify): | | |

Brief Details: _____

3. Please tick, if applicable:

- | | |
|---|--|
| <input type="checkbox"/> Politically Exposed Person (PEP) | <input type="checkbox"/> Related to a Politically Exposed Person (PEP) |
|---|--|

- | | |
|---|------------------------------|
| 4. Account Settlement (as per SEBI requirements) | Once a month/ once a quarter |
|---|------------------------------|

5. Any other information: _____

DECLARATION

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

Signature of the Applicant



Date:

FOR OFFICE USE ONLY

- ☐ (Original verified) True copies of document received
- ☐ (Self-Attested) Self Certified Document copies received

For K. M. JAIN STOCK BROKERS PVT. LTD.

Authorized Signatory

Seal/Stamp of the Trading Member

Date:

FATCA/CRS Declaration Form – (Individual)

To: **K.M.JAIN STOCK BROK PVT LTD.**

UCCCODE: _____

BOID: _____

Name: _____

Primary Holder ☐ Jt Holder 1 ☐ Jt Holder 2 ☐ Jt Holder 3 ☐ Mandate Holder ☐ Residential
Status (Resident / Non-Resident): _____

FATCA/CRS Declaration Form		
Part I- Please fill in the country for each of the following (Applicable for all customers):		
1	Country of:	
a)	Birth	
b)	Citizenship	
c)	Residence for Tax Purposes	
d)	Current Residence (Overseas Country for NRI)	
2	US Person (Yes / No) Refer definition on page 2	
Part II- Please note: a. If in all fields above, the country mentioned by you is India (except in case of seafarers) and if you do not have US person status, please proceed to Part III for signature. b. If for any of the above field, the country mentioned by you is not India and/or if your US person status is Yes, please provide the Tax Payer Identification Number (TIN) or Functional equivalent as issued in the specific country in the table below:		
i)	<input type="checkbox"/> TIN or <input type="checkbox"/> Functional equivalent (please specify name and number)	
	Country of Issue	
ii)	<input type="checkbox"/> TIN or <input type="checkbox"/> Functional equivalent (please specify name and number)	
	Country of Issue	
iii)	<input type="checkbox"/> TIN or <input type="checkbox"/> Functional equivalent (please specify name and number)	
	Country of Issue	
c. If you satisfy the criteria mentioned in II (b) above but do not have Taxpayer Identification Number/functional equivalent, please tick the reason for the same as given below:		

☐ I am a person resident out of India with (choose only if applicable):

☐ Country not issuing TIN/Functional equivalent _____

(mention ☐ Visa / ☐ Residence / ☐ Work permit number)

☐ Dependent visa _____ (mention dependent visa number)

☐ Student visa _____ (mention student visa number)

☐ Seafarer status _____ (mention CDC/visa number)

☐ Going to the country of residence for first time _____ (mention visa number. TIN/functional equivalent to be communicated to the **KMJPL** within 90 days, else account will get closed).

OR

☐ I am a person resident in India as well as resident for tax purposes in India (Please also fill Part IV self-certification)

- d. In case you are declaring US person status as 'No' but your Country of Birth is US, please provide document evidencing Relinquishment of Citizenship. If not available provide reason/s for not having relinquishment certificate _____. Please also fill **Part IV** Self- Certification.

Part III- Customer Declaration (Applicable for all customers)

(i) Under penalty of perjury, I certify that:

1. The applicant is (i) an applicant taxable as a US person under the laws of the United States of America ("U.S.") or any state or political subdivision thereof or therein, including District of Columbia or any Other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof. (This clause is applicable only if the account holder is identified as a US person) or
2. The applicant is taxable as a tax resident under the laws of country outside India. (This clause is applicable only if the account holder Is a tax resident outside of India)

(ii) I understand that the **KMJPL** is relying on this information for the purpose of determining my status in compliance with FATCA/CRS. The **KMJPL** is not able to offer any tax advice on FATCA/CRS or its impact. I shall seek advice from professional tax advisor for any tax questions.

(iii) I agree to submit a new form within 30 days if any information or certification on this form becomes incorrect.

(iv) I agree that as may be required by domestic regulators/tax authorities the **KMJPL** may also be required to inform reportable details to CBDT or close or suspend my account.

(v) I certify that I provide the information on this form and to the best of my knowledge and belief the certification is true, correct, and complete including the taxpayer identification number / functional equivalent number of the applicant.

Signature :

Name:

Date :

Part IV- Self-Certification (Not Applicable for NRI customers except for point (b) below): To be filled only if- (a) Any of the indicia parameters is outside India and TIN or functional equivalent is not available since not a resident for tax purpose outside India, or (b) Country of Birth is US and US person is mentioned as "No" in Part I									
I confirm that I am not a US person or a resident for tax purpose in any country other than India, though one or more parameters suggest my relation with the country outside India. Therefore I am providing the following document as proof of my citizenship and/or residency.			Signature						
Document Proof submitted (Please tick document being submitted)									
<input type="checkbox"/>	Passport	<input type="checkbox"/>	Election Id Card	<input type="checkbox"/>	PAN Card	<input type="checkbox"/>	Driving License	<input type="checkbox"/>	UIDAI Letter
<input type="checkbox"/>	NREGA Job Card	<input type="checkbox"/>	Govt. Issued ID Card	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Note-

The term United States person means:

- a. an individual, being a citizen or resident of the United States of America;
- b. partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof;
- c. A trust if: i. a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust; and ii. one or more U.S. persons have the authority to control all substantial decisions of the trust;
- d. An estate of a decedent who was a citizen or resident of the United States of America.

Functional Equivalent of TIN includes the following:

A social security/insurance number, citizen/personal identification/services code/national identification number, a resident / population registration number, Alien card number, etc.

K. M. JAIN STOCK BROKERS PVT. LTD.

KNOW YOUR CLIENT (KYC) APPLICATION FORM For Non Individuals

Promoter / Director /
Partner / Trustee / Karta
Authorised Person

3.5 cm x 3.5 cm Size
Colour photograph only
and sign across it

Please fill this form in ENGLISH and in BLOCK LETTERS.

A. IDENTITY DETAILS

1. Name of the Applicant :
2. Date of Incorporation : & Place of Incorporation
3. Date of commencement of business :
4. a. PAN:
b. Registration No. (e.g. CIN)
5. Status (please tick any one):

<input type="checkbox"/> Private Limited Co.	<input type="checkbox"/> Public Ltd.	<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Partnership	<input type="checkbox"/> NGO's
<input type="checkbox"/> Charitable Trust	<input type="checkbox"/> FI	<input type="checkbox"/> FII	<input type="checkbox"/> HUF	<input type="checkbox"/> AOP
<input type="checkbox"/> Bank	<input type="checkbox"/> Government Body	<input type="checkbox"/> Non-Government Organization	<input type="checkbox"/> Society	
<input type="checkbox"/> BOI	<input type="checkbox"/> LLP	<input type="checkbox"/> Defense Establishment Trust	<input type="checkbox"/>	
<input type="checkbox"/> Mutual Fund	<input type="checkbox"/> OCB	<input type="checkbox"/> CM	<input type="checkbox"/> Clearing House	
<input type="checkbox"/> Other (Please specify) _____				

B. ADDRESS DETAILS

1. Address for Correspondence:

City/town/village: Pin Code:
State Country
2. Contact Details: Tel. (Off.): Tel.(Res.):
Mobile No. Fax
E-mail:
3. Specify the Proof of Address submitted for Correspondence Address: _____

4. Registered Address (if different from above):

City/town/village: Pin Code:
State Country
Contact Details: Tel.(Off.): Tel. (Res.):
5. Specify the Proof of Address submitted for Registered Address: _____

C. OTHER DETAILS

1. Gross Annual Income Details (please specify):
Income Range per annum: ☐ < 1 Lac ☐ 1 - 5 Lacs ☐ 5 - 10 Lacs ☐ 10 - 25 Lacs
☐ 25 Lacs - 1 crore ☐ > 1 crore
2. Net-worth as on Rs. _____
(Net worth should not be older than 1 year)

3. & 4. Name, PAN, residential address and photographs of Promoters/Partners/Karta/Trustees and whole time directors.

Sr. No.	Name & Address of Promoters/Partners/ Karta/Trustees/whole time Directors	PAN, DIN/UID, Designation & Contact No.	Photograph
1.	Name	PAN :	
	Address (Resi) :	DIN/UID:	
		Designation:	
		Contact No.:	
		Mob. No.:	
	E-mail -		
2.	Name	PAN :	
	Address (Resi) :	DIN/UID:	
		Designation:	
		Contact No.:	
		Mob. No.:	
	E-mail -		
3.	Name	PAN :	
	Address (Resi) :	DIN/UID:	
		Designation:	
		Contact No.:	
		Mob. No.:	
	E-mail -		

5. Please tick, if applicable, for any of your Authorized signatories / Promoters / Partners / Karta/ Trustees / whole time directors:

☐ Politically Exposed Person (PEP)

☐ Related to a Politically Exposed Person (PEP)

6. Any other information: _____

DECLARATION

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

Signature of the Applicant



Date:

Seal:

FOR OFFICE USE ONLY

☐ (Original verified) True copies of document received

☐ (Self-Attested) Self Certified Document copies received

For K. M. JAIN STOCK BROKERS PVT. LTD.

Authorised Signatory

Seal/Stamp of the Trading Member

Date:

FATCA-CRS Declaration & Supplementary KYC Information

Declaration Form for Entities

Please seek appropriate advice from your professional tax professional on your tax residency and related FATCA & CRS guidance



Part I

A. Is the account holder a Government body/ International Organization/ listed company on recognized stock exchange ☐ Yes ☐ No

If "No" then proceed to point B

If "yes" please specify name of stock exchange, if you are listed company _____, and proceed to sign the declaration

B. Is the account holder a (Entity/ Financial Institution) tax resident of any country other than India ☐ Yes ☐ No
If "yes" then please fill of FATCA/ CRS Self certification Form
If "No", proceed to point C

C. Is the account holder an Indian Financial Institution ☐ Yes ☐ No
If "yes", please provide your GIIN, if any _____
If "No", proceed to point D

D. Are the substantial owners or controlling persons in the entity or chain of ownership resident for tax purpose in any country outside India or not an Indian citizen ☐ Yes ☐ No
If "yes", (then please fill FATCA/ CRS self-certification form)).
If "No", proceed to sign the declaration

Customer Declaration

() Under penalty of perjury, I/we certify that:

1. The applicant is:

(i) An applicant taxable as a US person under the laws of the United States of America ("U.S.") or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S.,

(ii) An estate the income of which is subject to U.S. federal income tax regardless of the source thereof. (This clause is applicable only if the account holder is identified as a US person)

2. The applicant is an applicant taxable as a tax resident under the laws of country outside India.

(ii) I/We understand that the Bank is relying on this information for the purpose of determining the status of the applicant named above in compliance with FATCA/CRS. The Bank is not able to offer any tax advice on FATCA/CRS or its impact on the applicant. I/we shall seek advice from professional tax advisor for any tax questions.

(iii) I/We agree to submit a new form within 30 days if any information or certification on this form becomes incorrect.

(iv) I/We agree that as may be required by domestic regulators/tax authorities the Bank may also be required to report, reportable details to CDDT or close or suspend my account.

(v) I/We certify that I/we provide the information on this form and to the best of my/our knowledge and belief the certification is true, correct, and complete including the taxpayer identification number of the applicant.

Name Of Entity		
(As per) MOP	Signature 1	
	Signature 1	
	Signature 1	
Date :		

Part II

Self-Certification Form (Entity) for Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards (CRS)

Section 1: Entity information	
Name of Entity	
Customer ID	
Entity Constitution Type	
Entity Identification Type	T G C E O
Entity Identification No	
Entity Identification issuing Country	
Country of Residence for Tax Purpose	

Section 2: classification Of Non-Financial Entities																					
I / we(on Behalf of the entity) certify that the entity is:																					
a) An entity incorporated and taxable in US (specified US person) <input type="radio"/> Yes <input type="radio"/> No																					
If " Yes ", please provide your US Taxpayer Identification Number (TIN)																					
<table><thead><tr><th colspan="10">TIN</th></tr></thead><tbody><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>		TIN																			
TIN																					
b) An entity incorporated and taxable outside of India(Other than US) <input type="radio"/> Yes <input type="radio"/> No																					
If " Yes ", please provide your TIN or its functional equivalent																					
Provide your TIN issuing country _____																					
<table><thead><tr><th colspan="10">TIN</th></tr></thead><tbody><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>		TIN																			
TIN																					
c) Please provide the following additional details if you are not a Specified US Person:																					
FATCA /CRS Classification For No-Financial entities (NFFE)																					
Active NFFE																					
Passive NFFE without any controlling Person																					
Passive NFFE with Controlling Person(s):																					
US	Others																				
Direct Reporting NFFE (Choose this if any entity has registered itself for direct reporting for FATCA and thus bank is not required to do the reporting)																					
Please provide GIIN number: _____																					

Section 3 : Classification of Financial Institutions (Including Banks):

I/ We (on behalf of the entity) certify that the entity is

a. An entity is U S financial institution

☐ Yes ☐ No

If “ Yes “ ,

(i) please provide your Taxpayer Identification Number (TIN)

TIN									

(ii) Please provide GIN, If any _____

if “NO”, Please tick one of the following boxes below:

Fatca classification

Please Provide the Global Intermediary Identification Number(GIN or Other information where

- ☐ Reporting Foreign Financial Institution in a Model 1 Inter-Governmental Agreement (“IGA”) Jurisdiction
- ☐ Reporting Foreign Financial Institution in a Model 2 IGA Jurisdiction
- ☐ Participating FFI in a Non-IGA Jurisdiction
- ☐ Non-reporting FI
- ☐ Non-Participating FI
- ☐ Owner-Documented FI with specified US owners

Section 4: Controlling person declaration

If you are classified as “Passive NFFE with Controlling Person(s)” or “Owner documented FFI” or “Specified US person”, please provide the following details:

Name of Controlling person	Correspondence Address	Country of residence for tax purpose	TIN	TIN issuing country	Controlling person Type

Details	Controlling person 1	Controlling person 2	Controlling person 3	Controlling person 4	Controlling person 5
Identification Type					
Identification No.					
Occupation Type					
Occupation					
Birth Date					
Nationality					
Country of Birth					

Section 5: Declaration

(i) Under penalty of perjury, I/we certify that:

1. The number shown on this form is the correct taxpayer identification number of the applicant, and
2. The applicant is (i) an applicant taxable as a US person under the laws of the United States of America ("U.S.") or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof, or

3. The applicant Is an applicant taxable as a tax resident under the laws of country outside India.

(ii) I/We understand that the Bank is relying on this information for the purpose of determining the status of the applicant named above in compliance with CRS/FATCA. The Bank is not able to offer any tax advice on CRS or FATCA or its impact on the applicant. I/we shall seek advice from professional tax advisor for any tax questions.

(iii) I/We agree to submit a new form within 30 days if any information or certification on this form gets changed. .

(iv) I/ We agree as may be required by /Regulatory authorities, bank shall be required to comply to report, reportable details to CDBT or close or suspend my account.

(v) I/We certify that I/we provide the information on this form and to the best of my/our knowledge and belief the certification is true, correct and complete including the tax payer identification number of the applicant.

I /We hereby confirm that details provide are accurate. Correct and complete

Authorized Signatories and Company Seal (if applicable)

Name : _____

Date: (dd/mm/yyyy):

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

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

B. PROOF OF IDENTITY (POI)

(List of documents admissible as Proof of Identity)

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

C. PROOF OF ADDRESS (POA)

(List of documents admissible as Proof of Address)

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

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.

-
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
 3. Bank Account Statement/Passbook-Not more than 3 months old.
 4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
 5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/ Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
 6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI,ICWAI,ICSI, Bar Council etc., to their Members.
 7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
 8. The proof of address in the name of the spouse may be accepted.

D. EXEMPTIONS/CLARIFICATIONS TO PAN

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

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

E. LIST OF PEOPLE AUTHORIZED TO ATTEST THE DOCUMENTS:

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

**F. IN CASE OF NON-INDIVIDUALS, ADDITIONAL DOCUMENTS TO BE OBTAINED FROM
NON-INDIVIDUALS, OVER & ABOVE THE POI & POA, AS MENTIONED BELOW**

Types of entity	Documentary requirements*
Corporate	<ul style="list-style-type: none"> – Copy of the balance sheets for the last 2 financial years (to be submitted every year). – Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year). – Photograph, POI, PDA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations. – Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. – Copies of the Memorandum and Articles of Association and certificate of incorporation. – Copy of the Board Resolution for investment in securities market. – Authorized signatories list with specimen signatures.
Partnership firm	<ul style="list-style-type: none"> – Copy of the balance sheets for the last 2 financial years (to be submitted every year). – Certificate of registration (for registered partnership firms only). – Copy of partnership deed. – Authorized signatories list with specimen signatures. – Photograph, POI, POA, PAN of Partners.
Trust	<ul style="list-style-type: none"> – Copy of the balance sheets for the last 2 financial years (to be submitted every year). – Certificate of registration (for registered trust only). – Copy of Trust deed. – List of trustees certified by managing trustees/CA. – Photograph, POI, POA, PAN of Trustees.
HUF	<ul style="list-style-type: none"> – PAN of HUF. – Deed of declaration of HUF/ List of coparceners. – Bank pass-book/bank statement in the name of HUF. – Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	<ul style="list-style-type: none"> – Proof of Existence/Constitution document. – Resolution of the managing body & Power of Attorney granted to transact business on its behalf. – Authorized signatories list with specimen signatures.
Banks/Institutional Investors	<ul style="list-style-type: none"> – Copy of the constitution/registration or annual report/balance sheet for the Last 2 financial years. – Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	<ul style="list-style-type: none"> – Copy of SEBI registration certificate. – Authorized signatories list with specimen signatures.
Army/Government Bodies	<ul style="list-style-type: none"> – Self-certification on letterhead. – Authorized signatories list with specimen signatures.
Registered Society	<ul style="list-style-type: none"> – Copy of Registration Certificate under Societies Registration Act. – List of Managing Committee members. – Committee resolution for persons authorized to act as authorized signatories with specimen signatures. – True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.

* POI - Proof of Identity

* POA - Proof of Address

* PAN - Permanent Account Number

* DIN - Director Identification Number

* UID - Unique Identification (Aadhaar)

ANNEXURE III

TRADING ACCOUNT RELATED DETAILS (For Individuals & Non Individuals)

A. BANK ACCOUNT(S) DETAILS

I) Bank Name	
Branch Address	
Bank Account No.	

Account Type	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	OTHERS <input type="checkbox"/>	NRI <input type="checkbox"/>	RE <input type="checkbox"/>	NRO <input type="checkbox"/>
MICR No.	<div style="border: 1px solid black; width: 100px; height: 1.2em;"></div>		RTGS/NEFT/IFSC Code	<div style="border: 1px solid black; width: 150px; height: 1.2em;"></div>		
(9 digit code)						

II) Bank Name	
Branch Address	
Bank Account No.	







Account Type	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	OTHERS <input type="checkbox"/>	NRI <input type="checkbox"/>	RE <input type="checkbox"/>	NRO <input type="checkbox"/>
MICR No.	<div style="border: 1px solid black; width: 100px; height: 1.2em;"></div>		RTGS/NEFT/IFSC Code	<div style="border: 1px solid black; width: 150px; height: 1.2em;"></div>		
(9 digit code)						

B. DEPOSITORY ACCOUNT(S) DETAILS

Depository Participant Name:	<div style="border: 1px solid black; width: 500px; height: 1.2em;"></div>
Depository Name:	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Beneficiary Name:	<div style="border: 1px solid black; width: 500px; height: 1.2em;"></div>
DP ID	<div style="border: 1px solid black; width: 100px; height: 1.2em;"></div>
Client ID	<div style="border: 1px solid black; width: 150px; height: 1.2em;"></div>

C. TRADING PREFERENCES

*Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.

Exchanges	Segment	Signature
BSE	Cash 	
	F & O 	
NSE	Cash 	
	F & O 	
MCX-SX	Cash 	
	F & O 	

If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter should be taken from the client by the stock broker.

D. PAST ACTIONS

1. If client is dealing through the sub-broker, provide the following details:

Sub-broker's Name:	
SEBI Registration number:	
a) NSE	
b) BSE	
Registered office address:	
(Sub-Broker)	
Tel. No. & Fax No.:	
E-mail ID :	
Website :	

[illegible]

— Whether you wish to receive physical Contract Note or Electronic Contract Note (ECN) (please ☐ specify): Yes Specify your Email ID if applicable. ☐ No.

[illegible]

— Whether you wish to avail of the facility of Internet Technology (please

Number of years of Investment/Trading Experience: _____

In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others.

Sr. No.	Name / Resi. Address	Designation, Contact No. PAN & UID	Photograph
1.	Name	Designation	
	Address :	PAN:	
		UID:	
		Contact No.:	
		Mob. No.:	
	Signature :		
2.	Name	Designation	
	Address :	PAN:	
		UID:	
		Contact No.:	
		Mob. No.:	
	Signature :		
3.	Name	Designation	
	Address :	PAN:	
		UID:	
		Contact No.:	
		Mob. No.:	
	Signature :		
For more person please use additional sheet as per this format.			

— Any other information: _____

G. INTRODUCER DETAILS (optional)

Name of the Introducer

Address of Introducer

Landmark

 City

Pin

 State

 Country

Tel.

 Mobile

 Fax

Status of the Introducer: Sub-broker/Remisier/ Authorized Person/Existing Client/Other

Please specify: _____

Signature of the Introducer

H. NOMINATION DETAILS (for individuals only)

☐ I/We wish to nominate

☐ I/We do not wish to nominate

Name of Nominee:

Relationship with the Nominee :

PAN of Nominee

 Date of Birth of Nominee

Address

City:

 PIN Code:

State:

 Country

 Occupation:

Tel.

 Mobile

 Fax

If Nominee is a minor, details of Guardian:

Name of Guardian

Address of Guardian

City:

 PIN Code:

State:

 Country:

 Occupation:

Tel.

 Mobile

 Fax

Signature of guardian

WITNESSES (Only applicable in case the account holder has made nomination)**First Witness**

Signature of Witness

Name of Witness _____

Address of Witness _____

Second Witness

Signature of Witness

Name of Witness _____

Address of Witness _____

DECLARATION

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

Place: _____

Signature of Authorized
Signatories/Karta/Trustee



Date:

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FOR OFFICE USE ONLY

UCC Code allotted to the Client:

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

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

For K. M. JAIN STOCK BROKERS PVT. LTD.

Authorized Signatory
Seal/Stamp of the Trading Member

Date :

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INSTRUCTIONS / CHECK LIST

1. Additional documents in case of trading in derivatives segments

Copy of ITR Acknowledgment	Copy of Annual Accounts
In case of salary income - Salary Slip, Copy of Form 16	Net worth certificate
Copy of demat account holding statement.	Bank account statement for last 6 months
Any other relevant documents substantiating Ownership of assets.	Self- declaration with relevant supporting Documents.

2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.

3. Demat master or recent holding statement issued by DP bearing name of the client.

4. For individuals:

- Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.
- In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.

5. For non-individuals:

- Form need to be initialized by all the authorized signatories.
- Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.

INTIMATION TO CLIENTS AND NOTING

To,
K.M.Jain Stock Brokers Private Limited
1306, Marathon Icon, Off. G.K.Marg,
Lower Parel (West), Mumbai. 400013..

Sir(s)

Re: Confirmation & noting

I/We confirm that I/ we have made note of the following:

- That you trade in your OWN/PRO account
- That your investor grievance email ID is grievances@kmjpl.com
- That the POA for Funds/ Securities will be used only for market obligations i.e. NSE/BSE securities pay-in and pay-out and not for off-market instructions.

Client Signature:  _____

Place :

Date :

DECLARATION BY SOLE PROP. FIRM
(On The Letter Head of the firm or duly filled us with seal of the Firm)

To,

K. M. Jain Stock Brokers Pvt. Ltd.
814, P.J. Tower,
Dalal Street,
Mumbai - 400 001.

Dear Sir,

I refer to the trading account opened with you in the name of _____ and declare and authorize you as under.

I recognize that a beneficiary account cannot be opened with a depository participant in the name of sole proprietorship firm as per Regulations, To facilitate the operation of the above trading account with you and for the purpose of completing the share transfer obligations pursuant to the trading operations, I authorise you to recognise the beneficiary account No. _____ with depository _____ having DP ID _____ opened in the name of the undersigned who is the sole proprietor of the firm.

I agree that the obligation for shares purchased and / or sold by the firm will be handled and completed through transfers to / from the above mentioned account. I recognise and accept transfers made by you to the beneficiary account as complete discharge of obligation by you in respect of trades executed in the above trading account of the firm.

Signature (Please sign with stamp of the firm)

Further I, the undersigned, am the sole proprietor of the firm and solely responsible for the liabilities thereof. I shall advise you in writing of any change that place in the constitution of the firm and I will be personally liable to you for all the obligations that the firm may incur in the course of dealings with you and undertake to personally discharge such liabilities.

Yours truly,

Signature (Please sign without stamp of the firm)

DECLARATION OF JOINT FAMILY BY HUF

To,
K. M. Jain Stock Brokers Pvt. Ltd.
814, P. J. Tower, Dalal Street, Mumbai - 400 001.

Dated: _____

Client Code :

1. WHEREAS the Hindu Undivided Family of _____ (hereinafter referred to as the said joint family) Carrying on business in the firm name and style of _____ at _____ or elsewhere (hereinafter referred to as the said HUF), have of desire to have Share Trading A/C with K. M. Jain Stock Brokers Pvt. Ltd. (hereinafter referred to as 'Member') we, the undersigned, hereby declare.
 - (a) that we are the present adult co- parceners of the said joint family ;
 - (b) that Sh _____ is the present Karta of Manager of the said Joint Family.
 - (c) that we are entitled to trade in shares and open Share Trading Account of the said Joint Family
 - (d) that each one of us has full and unrestricted to act on behalf, and bind, the said H U F and all the present as well as future members, both aquirs and minors, of the said Joint family, howsoever constituted from time to time.
2. We confirm that the affairs of the said joint family and the business of the said HUF are carried on mainly by the Karta/Manager, the said Sh _____ on behalf of and in the interest and in the interest and for the benefit of all co-parceners of the said joint family. We hereby authorize the Karta / Manager Sh _____ on behalf of the HUF to deal on Capital Market segment (CM), Futures and Options segment (F & O) or any other segment that may be introduced by NSE / BSE / MCX SX in future and the said Trading Members is hereby authorize to honor all instructions oral written given by him on behalf of the HUF.

Sh _____ is authorized to sell, purchase, transfer, endorse, negotiate documents and / or otherwise deal through K. M. Jain Stock Brokers Pvt . Ltd. on behalf of the HUF. He is also authorized to sign, execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may be deemed necessary of expedient to open account and give effect to this purpose. We are, however, jointly and severally responsible for all liabilities of the said HUF to the Member and agree and confirm that any claim due to the Member from the HUF shall be recoverable from the assets of any one or all of us and also from the estate of the said joint family including the interest thereon of every co parcener of the said joint family, including the share of the minor co-parceners, if any.
3. We undertake to advise the Member in writing of any change that may occur in the Karta /Manager ship or in the constitution of the said joint family or of the said HUF and until receipt of such notice by the Member, the Member will be entitled to regard each of us as a member of the said joint family and as a partner of the said HUF and all acts, dealings and transactions purporting to have been done on the said joint family and the said HUF before the Member's shall be binding on the said joint family and the said HUF and on their respective estates. We shall, however continue to be liable jointly and severally to the Member for all dues and obligations shall have bequeathed and discharged.
4. We recognize that beneficiary account can be opened with Depository participant only in the name of Karta as per regulations. To facilitate the operation of the above share trading account with you and for the purpose of competing the share transfer obligations pursuant to the trading operations, we authorize you to recognize the beneficiary account no. with Depository opened in this name of Sh _____ who is the Karta / Manager of this HUF.
5. I agree that obligations for share purchase and / or sale by the HUF will Be handled and completed through transfers to / from the above mentioned account. I recognize and accept transfer made by you to the beneficiary account as completion of obligations by you in respect of trades executed in the above trading account of the HUF.
6. The names and cates of birth of the present minor co-parceners of the said joint family are given below. We undertake to inform you in writing as and when each of the said members attains the age of majority and is authorize to act on behalf of, and bind, the said H. U. F.

Name of the Minor	Father's Name	Date of Birth

7. We have received and read a copy of the Member's rules and regulations for the conduct of Share Trading Account and we agree to comply with and be bound by the said rules now in force of any changes that may be made therein from time to time.

Yours faithfully



(Full signatures of Karta and all major co-parceners)

DECLARATION TO BE GIVEN BY PARTNERSHIP FIRM
(On The Letter Head of the firm or duly filled up with seal of the Firm)

Date:

To,
K.M. Jain Stock Brokers Pvt. Ltd.
814, P.J. Towers, Dalal Street,
Mumbai - 400 001.

Dear Sir,

We refer to the trading account being opened/to be opened with you in the name _____ and authorize you as under.

We recognize that a beneficiary account cannot be opened with a depository participant in the name of a partnership firm as per Regulations. To facilitate the operation of the above trading account with you and for the purpose of completing the securities transfer obligations pursuant to the trading operations, we authorize you to recognize the beneficiary account No. _____ with depository _____ opened as a joint account in the names of the partner of the firm.

We agree that the obligations for shares purchased and/or sold by the firm will be handled and completed through transfer to/ from the above-mentioned account. We recognize and accept transfers made by you to the beneficiary account as complete discharge of obligations by you in respect of trades executed in the above trading account of the firm. We hereby authorize _____, partner in the firm to execute / sign and submit such documents, agreements, deeds etc. as any be necessary to enter into the agreement and engage in business with K. M. Jain Stock Brokers Pvt. Ltd. and to place order for buying and selling of securities, sell, purchase, transfer, endorse, negotiate and do other things that may be necessary to engage in business on behalf of the partnership and to sign the authority letter for adjustment of balances in family accounts

Name of Partners (In Block Letters)	Signature

FORMAT OF BOARD RESOLUTION FOR CORPORATES/TRUSTS

Certified true copy of Board Resolution passed at the meeting of the board of directors/trustees of _____ and having its registered office at _____ held on _____ day of _____ 20____ at _____ a.m/p.m.

Resolved that the company is empowered to deal in equities, Derivatives, debentures, forex derivatives, debt & other capital market products and agrees to register itself as a client of K.M.Jain stock Brokers Pvt. Ltd after reading the rules and regulations as set out in their "Know your Client Form".

Further resolved that the below mentioned directors be and are hereby authorized to deal in all the financial products of capital, derivatives, forex and debt market and further that any one or more of the below mentioned directors can communicate to place and execute orders orally or in writing to M/s K.M.Jain stock brokers Private Limited.

Name of Director(s)	Signature
1. _____	_____
2. _____	_____
3. _____	_____

Chairman-Director of the Company/Trustee

Date :

Place :

AUTHORITY LETTER

To,
K.M.Jain Stock Brokers Private Limited
1306, Marathon Icon, Off. G.K.Marg,
Lower Parel (West),
Mumbai. 400013.

Subject: Authority Letter

Dear Sir/Madam,

I Mr./Mrs./Ms. _____, holding UCC A/c no. _____ with you, hereby give authority to Mr./Mrs./Ms. _____, being my _____ (Father/Mother/Brother/Sister/Uncle/Aunt/Others Please Specify), to buy, sell or trade on NSE and BSE on my behalf.

Thanking You.
Yours Truly,

Signature : _____
Name : _____
UCC Code : _____

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

As prescribed by SEBI and Stock Exchanges

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

CLIENT INFORMATION

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

MARGINS

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

TRANSACTIONS AND SETTLEMENTS

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client. .
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.

-
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
 16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
 17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued thereunder.

BROKERAGE

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

LIQUIDATION AND CLOSE OUT 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 Directors)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

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

TERMINATION OF RELATIONSHIP

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

ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical

letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

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

LAW AND JURISDICTION

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

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT

(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable additionally, the clauses mentioned herein shall also be applicable.)

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

ANNEXURE V

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 do 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.

1. BASIC RISKS:

11 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.

12 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.

13 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.

14 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.

15 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.

16 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.

17 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.

18 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:-**21 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.

22 Currency specific risks:

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

23 Risk of Option holders:

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

24 Risks of Option Writers:

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

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

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

4, GENERAL

- 4.1 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities/derivatives contracts through the mechanism provided by the Exchanges.
- 4.2 The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

Signature of Client

: _____

GUIDANCE NOTE - Do's AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

BEFORE YOU BEGIN TO TRADE

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

TRANSACTION 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 favor 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, 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 may maintain a 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.
14. You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
15. 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.
16. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

17. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter;

Stock exchanges give 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.

18. 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

19. 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.
20. 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.
21. Note that all the stock brokers/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.

Signature of Client

: _____

TARIFF SHEET

BROKERAGE AND STATUTORY CHARGES FOR CLIENT

Further, I agree to the following terms of doing business

Segment	Sq. off %		Sq. off Min (ps)		Settlement %		Settlement Min (ps)	Delivery %	Delivery Min (ps)
	Buy	Sell	Buy	Sell	Buy	Sell			
BSE Cash									
BSE F&O									
NSE Cash									
NSE F&O									
MCX Cash									
MCX F&O									

The above brokerage will be exclusive of the following charges

Transaction charges

Sq. up Stamp Duty

Del. Stamp Duty

STT

Service Tax as Applicable

Clearing House Dmat charges

Note : The above charges are subject to change by regulatory authorities or government agencies

: For option contracts brokerage to be charged on the premium at which the option contract was bought or sold and not on the strike price of the option contract.

Signature of Client



: _____

For office use only

:

Name of authorized person

: _____

Signature

: _____

Date

: _____

FOR NSE, BSE, MCX-SX & CDSL
POLICIES & PROCEDURES ADOPTED FOR PREVENTION OF MONEY LAUNDERING
(Issued as per the requirements of PMLA Act 2002)

1.1. Introduction

1.1.1 The Directives as outlined below provide a general background and summary of the main provisions of the applicable anti-money laundering and anti-terrorist financing legislations in India. They also provide guidance on the practical implications of the Prevention of Money Laundering Act, 2002 (**PMLA**). The Directives also set out the steps that a registered intermediary or its representatives shall implement to discourage and to identify any money laundering or terrorist financing activities. The relevance and usefulness of these Directives will be kept under review and it may be necessary to issue amendments from time to time.

1.1.2 These Directives are intended for use primarily by intermediaries registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (**SEBI Act**). While it is recognized that a “one- size-fits-all” approach may not be appropriate for the securities industry in India, each registered intermediary shall consider the specific nature of its business, organizational structure, type of clients and transactions, etc. when implementing the suggested measures and procedures to ensure that they are effectively applied. The overriding principle is that they shall be able to satisfy themselves that the measures taken by them are adequate, appropriate and abide by the spirit of such measures and the requirements as enshrined in the PMLA.

1.2. Background

1.2.1 The PMLA came into effect from 1st July 2005. Necessary Notifications / Rules under the said Act were published in the Gazette of India on 1st July, 2005 by the Department of Revenue, Ministry of Finance, Government of India. The PMLA has been further amended vide notification dated March 6, 2009 and inter alia provides that violating the prohibitions on manipulative and deceptive devices, insider trading and substantial acquisition of securities or control as prescribed in Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under schedule B of the PMLA.

1.2.2 As per the provisions of the PMLA, every banking company, financial institution (which includes chit fund company, a co-operative bank, a housing finance institution and a non-banking financial company) and intermediary (which includes a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with securities market and registered under Section 12 of the SEBI Act , shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA. Such transactions include;

- i. All cash transactions of the value of more than 10 lakh or its equivalent in foreign currency.
- ii. All series of cash transactions integrally connected to each other which have been valued below 10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency
- iii. All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as demat account, security account maintained by the registered intermediary.

1.2.3 It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from ‘transactions integrally connected’, ‘transactions remotely connected or related’ shall also be considered. In case there is a variance in CDD/AML standards prescribed by SEBI and the regulators of the host country, branches/overseas subsidiaries of intermediaries are required to adopt the more stringent requirements of the two.

1.3. Policies and Procedures to Combat Money Laundering and Terrorist financing

1.3.1 Essential Principles:

1.3.1.1 These Directives have taken into account the requirements of the PMLA as applicable to the intermediaries registered under Section 12 of the SEBI Act. The detailed Directives in Section II have outlined relevant measures and procedures to guide the registered intermediaries in preventing ML and TF. Some of these suggested measures and procedures may not be applicable in every circumstance. Each intermediary shall consider carefully the specific nature of its business, organizational structure, type of client and transaction, etc. to satisfy itself that the measures taken by it are adequate and appropriate and follow the spirit of the suggested measures in Section II and the requirements as laid down in the PMLA.

1.3.2 Obligation to establish policies and procedures:

1.3.2.1 Global measures taken to combat drug trafficking, terrorism and other organized and serious crimes have all emphasized the need for financial institutions, including securities market intermediaries, to establish internal procedures that effectively serve to prevent and impede money laundering and terrorist financing. The PMLA is in line with these measures and mandates that all intermediaries ensure the fulfillment of the aforementioned obligations.

1.3.2.2 To be in compliance with these obligations, the senior management of a registered intermediary shall be fully committed to establishing appropriate policies and procedures for the prevention of ML and TF and ensuring their

effectiveness and compliance with all relevant legal and regulatory requirements. The Registered Intermediaries shall:

- a) Issue a statement of policies and procedures, on a group basis where applicable, for dealing with ML and TF reflecting the current statutory and regulatory requirements
- b) Ensure that the content of these Directives are understood by all staff members
- c) Regularly review the policies and procedures on the prevention of ML and TF to ensure their effectiveness. Further, in order to ensure the effectiveness of policies and procedures, the person doing such a review shall be different from the one who has framed such policies and procedures
- d) Adopt client acceptance policies and procedures which are sensitive to the risk of ML and TF
- e) Undertake client due diligence (“CDD”) measures to an extent that is sensitive to the risk of ML and TF depending on the type of client, business relationship or transaction
- f) have in system a place for identifying, monitoring and reporting suspected ML or TF transactions to the law enforcement authorities; and
- g) Develop staff members’ awareness and vigilance to guard against ML and TF

1.3.2.3 Policies and procedures to combat ML shall cover:

- a) Communication of group policies relating to prevention of ML and TF to all management and relevant staff that handle account information, securities transactions, money and client records etc. whether in branches, departments or subsidiaries;
- b) Client acceptance policy and client due diligence measures, including requirements for proper identification;
- c) Maintenance of records;
- d) Compliance with relevant statutory and regulatory requirements;
- e) Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and
- f) Role of internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front line staff, of their responsibilities in this regard. The internal audit function shall be independent, adequately resourced and commensurate with the size of the business and operations, organization structure, number of clients and other such factors.

2.1. Written Anti Money Laundering Procedures

2.1.1 The registered intermediary- **K.M.Jain Stock Brokers Pvt Ltd** – registered as a Stock broker for BSE, NSE and MSEL under **SEBI Reg # INZ000223637** as well as Depository Participant of CDSL UNDER **SEBI REG #** shall adopt written procedures to implement the anti- money laundering provisions as envisaged under the PMLA. Such procedures shall include inter alia, the following three specific parameters which are related to the overall ‘**Client Due Diligence Process**’:

- a) Policy for acceptance of clients
- b) Procedure for identifying the clients
- c) Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR).

2.2. Client Due Diligence (CDD)

2.2.1 The CDD measures comprise the following:

Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.

b) Verify the client’s identity using reliable, independent source documents, data or information

c) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted -

i. For clients other than individuals or trusts: Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the intermediary shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

1CIR/ MIRSD/2/ 2013 dated January 24, 2013

aa) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest. Explanation: Controlling ownership interest means ownership of/entitlement to:

- i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an

unincorporated association or body of individuals.

bb) In cases where there exists doubt under clause (aa) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

cc) Where no natural person is identified under clauses (aa) or (bb) above, the identity of the relevant natural person who holds the position of senior managing official.

ii. **For client which is a trust:** Where the client is a trust, the Broker/DP shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

iii. **Exemption in case of listed companies:** Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

iv. **Applicability for foreign investors:** dealing with foreign investors' may be guided by the clarifications issued vide SEBI circulars CIR/MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/ 07/ 2013 dated September 12, 2013, for the purpose of identification of beneficial ownership of the client.

v. The Stock Exchanges and Depositories shall monitor the compliance of the aforementioned provision on identification of beneficial ownership through half-yearly internal audits. In case of mutual funds, compliance of the same shall be monitored by the Boards of the Asset Management Companies and the Trustees and in case of other intermediaries, by their Board of Directors

d) Verify the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c).

e) Understand the ownership and control structure of the client.

f) Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and

g) Registered intermediaries shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

2.2.2 Policy for acceptance of clients:

2.2.2.1 All registered intermediaries shall develop client acceptance policies and procedures that aim to identify the types of clients that are likely to pose a higher than average risk of ML or TF. By establishing such policies and procedures, they will be in a better position to apply client due diligence on a risk sensitive basis depending on the type of client business relationship or transaction. In a nutshell, the following safeguards are to be followed while accepting the clients:

a) No account is opened in a fictitious / benami name or on an anonymous basis.

b) Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high risk. Clients of special category (as given below) may, if necessary, be classified even higher. Such clients require higher degree of due diligence and regular update of Know Your Client (**KYC**) profile.

c) Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of Rule 9 of the PML Rules, Directives and Circulars issued by SEBI from time to time.

d) Ensure that an account is not opened where the intermediary is unable to apply appropriate CDD measures/ KYC policies. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to the intermediary is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. The market intermediary shall not continue to do business with such a person and file a suspicious activity report. It shall also evaluate whether there is suspicious trading in determining whether to freeze or close the account. The market intermediary shall be cautious to ensure that it does not return securities of money that may be from suspicious trades. However, the market intermediary shall consult the relevant authorities in determining what action it shall take when it suspects suspicious trading.

e) The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down. It shall be specified in what manner the account shall be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity/value and other appropriate details. Further the rights and responsibilities of both the persons i.e. the agent- client registered with the intermediary, as well as the person on whose behalf the agent is acting shall be clearly laid down. Adequate verification of a person's authority to act on behalf of the client shall also be carried out.

f) Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the

client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide

g) The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

2.2.3 Risk-based Approach:

2.2.3.1 It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the registered intermediaries shall adopt an enhanced client due diligence process for higher risk categories of clients. Conversely, a simplified client due diligence process may be adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.

2.2.3.2 Further, low risk provisions shall not apply when there are suspicions of ML/FT or when other factors give rise to a belief that the customer does not in fact pose a low risk

2.2.3.3 **Risk Assessment** SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

a) Registered intermediaries shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at the URL - http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>)

b) The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

2.2.4 Clients of special category (CSC): Such clients shall include the following:

a) Non - resident clients

b) High net-worth clients,

c) Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations

d) Companies having close family shareholdings or beneficial ownership

e) Politically Exposed Persons (PEP) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. The additional norms applicable to PEP as contained in the subsequent para 2.2.5 of this circular shall also be applied to the accounts of the family members or close relatives of PEPs.

f) Companies offering foreign exchange offerings

g) Clients in high risk countries. While dealing with clients from or situate in high risk countries or geographic areas or when providing delivery of services to clients through high risk countries or geographic areas i.e. places where existence or effectiveness of action against money laundering or terror financing is suspect, intermediaries apart from being guided by the Financial Action task Force (FATF) statements that inter alia identify such countries or geographic areas that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website (www.fatf-gafi.org) from time to time, shall also independently access and consider other publicly available information along with any other information which they may have access to. However, this shall not preclude intermediaries from entering into legitimate transactions with clients from or situate in such high risk countries and geographic areas or delivery of services through such high risk countries or geographic areas.

h) Non face to face clients

i) Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the intermediary shall exercise independent judgment to ascertain whether any other set of clients shall be classified as CSC or not.

2.2.5 Client identification procedure:

2.2.5.1 The KYC policy shall clearly spell out the client identification procedure to be carried out at different stages i.e. while establishing the intermediary – client relationship, while carrying out transactions for the client or when the intermediary has doubts regarding the veracity or the adequacy of previously obtained client identification data. Intermediaries shall be in compliance with the following requirements while putting in place a Client Identification Procedure (CIP):

a) All registered intermediaries shall proactively put in place appropriate risk management systems to determine whether their client or potential client or the beneficial owner of such client is a politically exposed person. Such procedures shall include seeking relevant information from the client, referring to publicly available information or accessing the commercial electronic databases of PEPS. Further, the enhanced CDD measures as outlined in clause 2.2.5 shall also be applicable where the beneficial owner of a client is PEP.

b) We as a registered intermediary are required to obtain senior management approval for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to

be, or subsequently becomes a PEP, registered intermediaries shall obtain senior management approval to continue the business relationship.

c) We as a registered intermediary shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP.

d) The client shall be identified by the intermediary by using reliable sources including documents / information. We as a registered intermediary shall obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

e) The information must be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the intermediary in compliance with the directives. Each original document shall be seen prior to acceptance of a copy.

f) Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the intermediary.

2.2.5.2 SEBI has prescribed the minimum requirements relating to KYC for certain classes of registered intermediaries from time to time as detailed in Schedule II. Taking into account the basic principles enshrined in the KYC norms which have already been prescribed or which may be prescribed by SEBI from time to time, all registered intermediaries shall frame their own internal directives based on their experience in dealing with their clients and legal requirements as per the established practices. Further, the intermediary shall conduct ongoing due diligence where it notices inconsistencies in the information provided. The underlying objective shall be to follow the requirements enshrined in the PMLA, SEBI Act and Regulations, directives and circulars issued thereunder so that the intermediary is aware of the clients on whose behalf it is dealing.

2.2.5.3 Every intermediary shall formulate and implement a CIP which shall incorporate the requirements of the PML Rules Notification No. 9/2005 dated July 01, 2005 (as amended from time to time), which notifies rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries of securities market and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients.

2.2.5.4 It may be noted that irrespective of the amount of investment made by clients, no minimum threshold or exemption is available to registered intermediaries (brokers, depository participants, AMCs etc.) from obtaining the minimum information/documents from clients as stipulated in the PML Rules/ SEBI Circulars (as amended from time to time) regarding the verification of the records of the identity of clients. Further no exemption from carrying out CDD exists in respect of any category of clients. In other words, there shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by registered intermediaries. This shall be strictly implemented by all intermediaries and non-compliance shall attract appropriate sanction

2.2.6 Reliance on third party for carrying out Client Due Diligence (CDD)

SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

2.2.6.1 Registered intermediaries may rely on a third party for the purpose of

a) identification and verification of the identity of a client and b) Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.

2.2.6.2 Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, it is clarified that the registered intermediary shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

2.3.Record Keeping

2.3.1 Registered intermediaries shall ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

2.3.2 Registered Intermediaries shall maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior.

2.3.3 Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, registered intermediaries shall retain the following information for the accounts of their clients in order to maintain a satisfactory audit trail:

a) the beneficial owner of the account;

b) the volume of the funds flowing through the account; and

c) for selected transactions:

i. the origin of the funds

ii. the form in which the funds were offered or withdrawn, e.g. cheques, demand drafts etc.

iii. the identity of the person undertaking the transaction;

- iv. the destination of the funds
- v. the form of instruction and authority.

2.3.4 Registered Intermediaries shall ensure that all client and transaction records and information are available on a timely basis to the competent investigating authorities. Where required by the investigating authority, they shall retain certain records, e.g. client identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

2.3.5 More specifically, all the intermediaries shall put in place a system of maintaining proper record of transactions prescribed under Rule 3 of PML Rules as mentioned below:

- a) all cash transactions of the value of more than ten lakh rupees or its equivalent in foreign currency;
- b) all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds an amount of ten lakh rupees or its equivalent in foreign currency;
- c) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;
- d) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

2.4. Information to be maintained

2.4.1 Intermediaries are required to maintain and preserve the following information in respect of transactions referred to in Rule 3 of PML Rules:

- a) the nature of the transactions;
- b) the amount of the transaction and the currency in which it is denominated;
- c) the date on which the transaction was conducted; and
- d) the parties to the transaction.

2.5. Retention of Records

SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

2.5.1 Intermediaries shall take appropriate steps to evolve an internal mechanism for proper maintenance and preservation of such records and information in a manner that allows easy and quick retrieval of data as and when requested by the competent authorities. Further, the records mentioned in Rule 3 of PML Rules have to be maintained and preserved for a period of five years from the date of transactions between the client and intermediary.

2.5.2 As stated in sub-section 2.2.5, intermediaries are required to formulate and implement the CIP containing the requirements as laid down in Rule 9 of the PML Rules and such other additional requirements that it considers appropriate. Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

2.5.3 Thus the following document retention terms shall be observed:

- a) All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed thereunder as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars.
- b) Registered intermediaries shall maintain and preserve the records of documents evidencing the identity of its clients and beneficial owners (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

2.5.4 In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.

2.5.5 Records of information reported to the Director, Financial Intelligence Unit – India (FIU – IND):

Registered Intermediaries shall maintain and preserve the records of information related to transactions, whether attempted or executed, which are reported to the Director, FIU – IND, as required under Rules 7 and 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

2.6. Monitoring of transactions

2.6.1 Regular monitoring of transactions is vital for ensuring effectiveness of the AML procedures. This is possible only if the intermediary has an understanding of the normal activity of the client so that it can identify deviations in transactions / activities.

2.6.2 The intermediary shall pay special attention to all complex unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background including all documents/office records /memorandums/clarifications sought pertaining to such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/ other relevant Authorities, during audit, inspection or as and when required. These records are required to be maintained and preserved for a period of five years from the date of transaction between the client and intermediary.

2.6.3 The intermediary shall ensure a record of the transactions is preserved and maintained in terms of Section 12 of the PMLA and that transactions of a suspicious nature or any other transactions notified under Section 12 of the Act

are reported to the Director, FIU-IND. Suspicious transactions shall also be regularly reported to the higher authorities within the intermediary. SEBI Circular No. CIR/ MIRSD/ 1/ 2014 dated March 12, 2014

2.6.4 Further, the compliance cell of the intermediary shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

2.7. Suspicious Transaction Monitoring and Reporting

2.7.1 Intermediaries shall ensure that appropriate steps are taken to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions. While determining suspicious transactions, intermediaries shall be guided by the definition of a suspicious transaction contained in PML Rules as amended from time to time.

2.7.2 A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

- a) Clients whose identity verification seems difficult or clients that appear not to cooperate
- b) Asset management services for clients where the source of the funds is not clear or not in keeping with clients' apparent standing /business activity;
- c) Clients based in high risk jurisdictions;
- d) Substantial increases in business without apparent cause;
- e) Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- f) Attempted transfer of investment proceeds to apparently unrelated third parties;
- g) Unusual transactions by CSCs and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export- import of small items.

2.7.3 Any suspicious transaction shall be immediately notified to the Money Laundering Control Officer or any other designated officer within the intermediary. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature /reason of suspicion. However, it shall be ensured that there is continuity in dealing with the client as normal until told otherwise and the client shall not be told of the report/ suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The Principal Officer/ Money Laundering Control Officer and other appropriate compliance, risk management and related staff members shall have timely access to client identification data and CDD information, transaction records and other relevant information.

2.7.4 It is likely that in some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents. It is clarified that intermediaries shall report all such attempted transactions in STRs, even if not completed by clients, irrespective of the amount of the transaction.

2.7.5 Clause 2.2.4 (g) of this Master Circular categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as 'CSC'. Intermediaries are directed that such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.

2.8. List of Designated Individuals/ Entities

2.8.1 An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Registered intermediaries are directed to ensure that accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

2.9. Procedure for freezing of funds, financial assets or economic resources or related services

2.9.1 Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 (**Annexure 1**) detailing the procedure for the implementation of Section 51A of the UAPA.⁶

6 SEBI Circular No. ISD/ AML/ CIR – 2/ 2009 dated October 23, 2009

7 SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/69 dated May 28, 2019

2.9.2 In view of the reorganization of Divisions in the Ministry of Home Affairs and allocation of work relating to countering of terror financing to the Counter Terrorism and Counter Radicalization (CTCR) Division, the Government has modified the earlier order dated August 27, 2009 by the order dated March 14, 2019 (**Annexure 2**) for strict compliance.

2.10. Reporting to Financial Intelligence Unit-India

2.10.1 In terms of the PML Rules, intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

**Director, FIU-IND,
Financial Intelligence Unit-India,
6th Floor, Hotel Samrat,
Chanakyapuri,
New Delhi-110021.**

Website: <http://fiuindia.gov.in>

2.10.2 Intermediaries shall carefully go through all the reporting requirements and formats that are available on the website of FIU – IND under the Section Obligation of Reporting Entity – Furnishing Information – Reporting Format (https://fiuindia.gov.in/files/downloads/Filing_Information.html). These documents contain detailed directives on the compilation and manner/procedure of submission of the reports to FIU-IND. The related hardware and technical requirement for preparing reports, the related data files and data structures thereof are also detailed in these documents. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries shall adhere to the following:

- a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- b) The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion.
- c) The Non-Profit Organization Transaction Reports (NTRs) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- d) The Principal Officer will be responsible for timely submission of CTR, STR and NTR to FIU-IND;
- e) Utmost confidentiality shall be maintained in filing of CTR, STR and NTR to FIU-IND.
- f) No nil reporting needs to be made to FIU-IND in case there are no cash/ suspicious/ non – profit organization transactions to be reported.

2.10.3 Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. This prohibition on tipping off extends not only to the filing of the STR and/ or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level. It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.

2.11. Designation of officers for ensuring compliance with provisions of PMLA

2.11.1 Appointment of a Principal Officer:

2.11.1.1 To ensure that the registered intermediaries properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of ‘Principal Officer’ including any changes therein shall also be intimated to the Office of the Director-FIU. As a matter of principle, it is advisable that the ‘Principal Officer’ is of a sufficiently senior position and is able to discharge the functions with independence and authority

Our firm has designated Mr. Anand Jain as the principal officer and intimated the authority vide letter dtd. 31.01.07, thereby complying with the procedure of designating a sufficiently senior person as ‘Principal Officer’ as required under the Prevention of Money Laundering Act. The principal officer will promptly notify Financial Intelligence Unit (FIU) of any change to the details of our firm. The principal officer will also ensure maintenance of proper records and filing of records with FIU, whenever required.

2.11.2 Appointment of a Designated Director:

SEBI Circular No. CIR/ MIRSD/ 1/ 2-014 dated March 12, 2014

Designated Director – Ms Madhulika Jain appointed on 14.03.2014 by the company)

2.11.2.1 In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a ‘Designated Director’. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

“Designated director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes –

- a) the Managing Director or a Whole-Time Director duly authorized by the Board of Directors if the reporting entity is a company,
- b) the managing partner if the reporting entity is a partnership firm,
- c) the proprietor if the reporting entity is a proprietorship firm,
- d) the managing trustee if the reporting entity is a trust,
- e) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
- f) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.”

2.11.2.2 In terms of Section 13 (2) of the PMLA, the Director, FIU – IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.

2.11.2.3 Registered intermediaries shall communicate the details of the Designated Director, such as, name designation and address to the Office of the Director, FIU – IND.

2.12. Employees’ Hiring/Employee’s Training/ Investor Education

2.12.1 Hiring of Employees

2.12.1.1 The registered intermediaries shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

2.12.2 Employees’ Training:

2.12.2.1 Intermediaries must have an ongoing employee training program so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements shall have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

2.12.3 Investors Education

2.12.3.1 Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT program.

Signature of the Client:  _____

RISK ASSESSMENT OF CLIENT IN TERMS OF PMLA 2002

Type of Client (Please Tick)	Low Risk	Medium Risk	High Risk	PEP (Politically Exposed person)	CSC (Client of Special Category)

Risk rating would change only if there is change in risk perception by us.

For **K.M.Jain Stock brokers Pvt Ltd**

Board of Management- Director

PMLA LETTER

Dear Customer,

Subject: Prevention of Money Laundering Act (PMLA)

Subject to the requirements under the Prevention of Money Laundering Act, 2002 (PMLA), guidelines issued by RBI and SEBI from time to time, the prospective clients (those persons who want to become clients of **K. M. Jain Stock Brokers Pvt. Ltd.** are requested to not the following Anti Money Laundering (AML) procedures:

1. No account can be opened in fictitious / benami name or on anonymous basis.
2. No account will be opened where prospective client is unable to prove / submit
 - i) Identity Proof
 - ii) Address Proof
 - iii) PAN Card and other information / documents demanded by **K. M. Jain Stock Brokers Pvt. Ltd.** which are essential for account activation as per SEBI guidelines.
3. Complete and correct contact details like Telephone No., mobile / cell no., E-mail address should be provided for easy and prompt communication.
4. Please indicate your occupation and the Income Range to which you belong at the appropriate place in the KYC Kit (application form). This is very essential Applications without these details are liable to be rejected.
5. No cash will be accepted by **K. M. Jain Stock Brokers Pvt. Ltd.** under any circumstances. You will make all payments to us by means of a Cheque / DD payable at our branch and similarly all payments due to you are paid by means of a cheque / DD payable at the place registered with **K. M. Jain Stock Brokers Pvt. Ltd.**
6. **K. M. Jain Stock Brokers Pvt. Ltd.** at its sole discretion, reserves the right to ask for additional information / documents relating to income such as Bank a/c statements, Income Tax returns and / or net worth statements as may be required under PMLA, 2002 from time to time and as a client you are required to supply such information//documents.
7. **K. M. Jain Stock Brokers Pvt. Ltd.** reserves the right to verify the details provided in the KYC by the Client like Residential / Official address, Telephone No. by visiting / calling etc. (as a done in credit card verification.) Hence correct and complete details must be given.
8. Apart from the above, under PMLA, 2002, in order to discourage and identify any money laundering or terrorist financing activities, financial intermediaries like our Company may call for additional disclosures relating to your transactions.
9. Please produce all supporting documents in original together with a copy and originals will be returned to you after verification.
10. We hope you will have a happy and a profitable association with.

Thank you,

Yours faithfully,

Signature of the Client:  _____

Name of the Client: _____

Client Code: _____

POLICIES AND PROCEDURES FOR CLIENT DEALINGS - ALL EXCHANGES – MANDATORY
(as required by SEBI circular MIRSD/ SE /Cir- 19/2009 dated December 3, 2009)

Policy 1. Refusal of orders for penny stocks

A penny stock can be typified as one which has one or more of the given below characteristics:

- Stock that trades at a relatively low price and /or market capitalization
- Highly speculative and risky because of lack of liquidity
- Large bid-ask spreads
- Showing sporadic volume pattern in tandem with bulk trades
- Association with errant promoters and/or classified under Z or T group by exchanges

Our RMS reserves the “right to refusal” to trade in such stocks and consequently all losses pertaining to it would be borne by the client. The Management will take a decision whether a scrip should be classified under ‘penny stock’ after considering above-mentioned points. The client should also be ready to pay 100% margin pertaining to the scrip, if asked for.

Along with the above points, a client should also refer to the periodic NSE/BSE circulars regarding illiquid stocks. The dealers and clients should refer updated GSM and ASM scrip’s list also before execution of any trade.

Policy 2. Setting up client’s exposure limit

Our RMS refers the following points before giving exposure to our clients, which in turn can vary from time to time in view of the then prevailing circumstances:

- Client’s net worth
- Collateral or deposits taken from the client
- Existing open positions of client and the various margin obligations getting attracted
- Broker’s risk perception of the client
- Prevailing market volatility
- The benefit of ‘credit for sale of shares’ is to be considered while evaluating the exposure of a client at that particular time.
- In case of F&O trading, collateral received after the trading day in ‘client’s margin account’ will not be considered for margin and exposure calculation.
- In case of F&O, strict margin limits for upfront margin, exposure margin, MTM margin and volatility margin as calculated by exchange formulae will be adhered to before providing exposure.
- Scrip wise exposure can vary depending upon the group to which the scrip belongs. A client is liable to get less exposure for scrip under ‘Z’ & ‘T’ groups, as the broker has to keep in mind the total turnover of the scrip, liquidity during the day, per day limits for a particular Group (e.g. T, Z groups) set by Exchanges or any such reasons after referring the daily notices of Exchanges & SEBI.
- Updated ASM and GSM list will be referred before allowing exposure in such scrips.
- Exposure to many illiquid scrips can remain blocked at our end and can be activated only with management’s approval.
- Any other relevant factor.

The client has to agree to exposure/margin variation, reduction, imposition and restrictions that can affect his ability to execute the orders. Further the client has to agree that the losses if any on account of such refusal or due to delay caused by periodic reviews or interventions shall be borne exclusively by the client alone.

Necessary limits will be set by our officials on the basis of document/s procured from client such as Balance sheet and Profit and Loss statement, Annual IT acknowledgement copy, Auditor certified net worth statement or self – declared net worth. Any one or combination of above documents will be scrutinized to arrive at a suitable terminal/UCC limit for the client.

Policy 3. Applicable brokerage rate

- Brokerage rates will be charged within the limits prescribed by SEBI/Exchange- i.e. Not more than 2.5% on market rate
- At the time of opening of client’s account the brokerage rates will be assigned in consultation with the client/sub-broker. Any change intended by either broker or client will be done after mutual discussion thereof. The client should sign on the tariff sheet and should convey any deviation within seven days of signing the sheet.
- For option contracts brokerage will be charged on the premium at which the option contract was bought or sold and not on the strike price of the option contract.
- The management also reserves the right to decide upon brokerage rates to any client as per their comfort level and within the permissible range.
- The client is said to have agreed on the brokerage that would be charged after he signs the tariff sheet forming part of KYC form.
- For Block/Bulk deals, the negotiated brokerage rates may apply.

Policy 4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period not resulting in funding by the broker in contravention of the applicable laws

- Where the Broker is levied or pays any fine/penalties/punishment imposed by any of the authorities like SEBI/RBI/Exchanges/Banks etc in connection with/as a consequence of/in relation to any of the orders /trades/deals/actions/non-compliance of the client, then the same will be debited to the client.
- All penalties due to client's negligence, what-so-ever it may be, pertaining to their trading account or non-compliance shall be borne by Client.
- If for any reason the client defaults in his pay-in obligations whether at broker level or exchange level, then the broker has the right to recover from the client, the interest so charged by the authorities along with the penalties imposed.
- Any interest corresponding to the amount of shortfall of pay-in amount of the client raised from any bank or through private sources shall be debited to the client's account.

Policy 5. 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)

- Without prejudice to the stock broker other rights (including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate /close out all or any of the client's position without giving notice to the client for nonpayment of margins or other amounts including the pay-in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any against the client's liabilities/obligations.
- The client shall ensure timely availability of fund/securities in the form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay-in obligation of fund and securities. All losses on account of non-compliance of exchange obligation shall be borne by the client. Any available security/collateral would be subject to haircuts/MTM as the stockbroker may deem fit in his absolute discretion.
- The stockbrokers has the right but not the obligation, to cancel all pending orders and to sell /close/liquidate all open positions/securities/shares at a predefined square off time or when MTM percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stockbroker will have the sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square-off, the client shall bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange.
- On the explicit directions of Exchanges/ SEBI or any government authority, the broker can freeze or resort to squaring off the position of client. In such cases all losses shall be borne by the client.
- Normally, a client who has outstanding debit balance for more than three months/six months(as will be decided by management) can be asked to make good the expenses of all kind, including TOD/OD interest charges that the broker had to bear due to client's inability to clear them in time.
- As per the recent notice and guidelines by SEBI and Exchanges, the

Reference to the Exchange circular NSE/INSP/41359 dated June 20, 2019 and SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members

Policy 6. Shortages in obligations arising out of internal netting of trades

It was mandated by SEBI to have a single designated clearing corporation across all exchanges under interoperability for BSE, NSE and Metropolitan Stock Exchange. Hence, after opting for NCL (NSE) as our sole clearing house across all exchanges, it has become imperative for us to revise our internal shortage policy.

Internal shortage arises when delivery pay-in /pay-out of sold/bought scrip remains unsettled between seller and buyer clients of the same broker. In simpler words, when the seller of a security fails to deliver his securities that results in short delivery to another buyer client of the broker.

Facility for internal shortage is provided by NCL (National Clearing Corporation of NSE). We will be guided by the procedure laid out by NCL as per their circular reference no. NCL/CMPT/46456 dated November 25, 2020 and circular ref # NCL/CMPT/47402 dated February 19, 2021. Salient features of the facility:

1. Facility is for internal shortages in capital market segment and physical settlement of equity derivatives.
2. Clearing members shall provide a list of securities to be auctioned along with trading member, client code and shortage quantity to NCL through a file upload in the format as provided. The file should be uploaded prior to 08:30 AM on settlement date.

(The above cut off time is for broker execution and not for clients. For all the clients we would consider cut off time as 6.00 p.m. one day prior to settlement day.)

3. NCL shall validate the records and provide a return file with status success/reject to the Clearing Members. Only successful records shall be taken up for further processing.
4. NCL shall debit from the settlement account an amount equal to the valuation of the securities provided towards auction. Clearing Members are required to provide valuation amount in their settlement account by 10:00 AM.
5. In case of successful auction, valuation amount so collected shall be utilized towards auction pay-in on auction settlement day. Excess, if any, shall be returned to clearing member after making necessary adjustments and shortfall,

if any, shall be recovered from the clearing member. In case of unsuccessful auction, the entire valuation amount shall be returned to the clearing member.

6. In case where auction is successful but there is settlement shortage i.e. auction seller fails to deliver the securities on T+3 day, NCL shall conduct financial close out in accordance with the exchange procedures.

7. It shall be sole responsibility of the Clearing Member to ensure correctness and completeness of the settlement shortages reported to NCL for auction.

8. There shall be facilitation fees of 1% on the value of security considering the price of security on day prior to auction. The amount including applicable taxes shall be collected on monthly basis.

Further this is only a facility at exchange level and no settlement guarantee shall be provided by exchange.

If for any unforeseen reason the procedure for internal shortage is not initiated then the following policy will be adopted. The client has to agree to the procedure set by us for internal shortage if he/she fails to deliver the securities sold by him/her which tantamount to non-fulfillment of the market obligation at BSE/NSE/Metropolitan Exchange. In such a case the contract shall be mandatorily closed out at NSE and the close out price will be higher of the following:

(a) Highest traded price of the scrip prevailing on NSE beginning from T day till the corresponding auction day
OR

(b) The closing price of the securities on the auction day increased by 5% for both cash and F&O segments.

The amount so determined shall be debited to the seller who failed to deliver the securities in time and credited to the buyer of the same scrip.

If the securities under close are not listed on NSE then aforesaid procedure shall be applied to BSE.

In case of securities having corporate actions that are under no-delivery period: In all such cum-benefit cases of short delivery which cannot be auctioned on cum basis or where cum-benefit pay-out is after book closure /record date then in such a situation it would attract compulsory close out at 10% above the official closing price on the auction day or the highest traded price from the trading day till the corresponding auction day.

The effect of the above amount will be debited to the defaulter client and credited to the buyer client. No actual delivery will be delivered to the buyer in case of internal shortage.

Policy 7. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client

The above condition applies in the following cases:

- When the gross exposure/collateral set for the client gets exhausted.
- The existing position of the client is also liable to be squared up when the client fails to provide extra margin or fails to fulfill his obligations even upon being intimated.
- Due to non-receipt or non-fulfillment of money and/or delivery pay-in & payout obligation by the client in case of cash segment.
- Due to non-receipt or non-fulfillment of money pay-in obligation by the client as required by exchanges in F&O segment.
- Existing debit balance in ledger or absence of collateral to initiate a fresh position
- In extraordinary circumstances whence the Broker is advised by the Exchange to reduce exposure to facilitate smooth working of the Exchange.
- In view of the high volatility of market

Policy 8. Temporarily suspending or closing a client's account at the client's request

- A client's account can be temporarily suspended if the client gives in writing to do so with proper reason. It can be re-activated on receipt of written instruction from the client. However client would be allowed to settle his ledger account during suspended period.
- The management also reserves the right to temporarily close a client's account till he fulfills /complies with his due obligations.
- Closure of client's account- A client's account can be closed if a written request is received for the same, provided he has settled his account across all segments in terms of money and share delivery.

Policy 9. Deregistering a client

Notwithstanding anything contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement in any of the following circumstances:

- 1) Incase of death/lunacy or any other disability of the client
- 2) Incase of breach of any term, condition or covenant of this agreement
- 3) Incase the client has made material misrepresentation in the facts disclosed in his KYC

- 4) If there is commencement of any legal proceedings against the client under any law in force.
 - 5) If the action of the client are prima-facie illegal/improper or one that points to price manipulation or that disturbs the normal functioning capital market, whether alone or in conjunction with others.
 - 6) In case the client defaults in fulfillment of his exchange related obligations
 - 7) Incase of dissolution of partnership firm and the partnership firm or any of its partner being the client of the broker.
 - 8) If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to BIFR or under any other law providing protection as a relief undertaking.
 - 9) If any covenant or warranty of the client is incorrect or untrue in any material respect.
 - 10) If there is reasonable apprehension that the client would be unable to pay its debts or the client has admitted its inability to pay its debt as and when they become payable.
 - 11) If a receiver, administrator or liquidator has been appointed or allowed to be appointed for all or any part of the undertaking of the client.
 - 12) If there is reasonable apprehension about the clients' solvency or ability to fulfill his obligations.
- All losses pertaining to this effect shall be borne by the client.

Policy 10. Policy regarding treatment of inactive/dormant client

Any client who does not trade during a financial year shall be considered as an "in-active client" or dormant client. The management will typify a client as "inactive" after considering the following aspects:

1. Whether there exists any trade in his ledger account whose obligation has been fulfilled through the exchange trading platform?
2. Whether the client is active in any other segment?
3. Whether the client has any debits or credits lying in any of his ledger account, in any of the segments?
4. Whether the client is trying to settle his dues, though he is an inactive trader? ie. Only banking transactions appear in his ledger account?
5. Whether the client is inactive due to change of his residential status or change of location to a remote area or foreign country and has intimated his wish to remain dormant temporarily?
6. Client declared inactive by law: Such a client will be moved to the "inactive" category if required by law.

After considering the above points, we would consider whether the client trading and/or demat account needs to be closed permanently or not. Having typified the client as 'inactive', we would proceed to intimate him about the same and tag the client as 'inactive' in BSE/NSE online database.

Client Acceptance of Policies and Procedures as stated herein above:

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read always be read along with the agreement and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law /judicial / adjudicating authority including arbitrator / mediator etc.

Signature of the Client: _____

Date: _____

Place: _____

ALL EXCHANGES RUNNING ACCOUNT AUTHORISATION

(Kindly note that these additional clause(s)/documentation(s) are voluntary and at the discretion of the stockbroker/ trading member and the client. The same are required in order to ensure running on a day-to-day basis between the stockbroker/trading member and the client. The client need not execute this document if he/she does not wish to. The client has the right to terminate the document)

To,
K.M.Jain Stock Brokers Private Limited
1306, Marathon Icon, Off. G.K.Marg,
Lower Parel (West), Mumbai. 400013.

Sir(s)

Re: Running Account Authorization

We are aware that as per the SEBI/Exchange requirements, the settlement of funds/securities shall be done within one working day of the payout. However, we request you to kindly keep my account as a running account, which will entail that all securities and funds due to us on payout shall be withheld with yourselves and given to us only on demand. We understand that:

1. As per SEBI requirements, the authorization shall be dated and signed by me only.
2. The manner of renewal will be as per the policies on your website <http://www.kmjpl.com> which under all circumstances shall be conforming to the norms prescribed by SEBI/Exchanges.
3. We can revoke this running account authorization at any time.
4. Account Settlement (as per SEBI requirements) : Once a month/ once a quarter
5. You shall transfer the funds/securities lying in our credit within one working day of the request if the same are lying with you and within three working days from the request if the same are lying with the Clearing Member/Clearing Corporation.
6. I/We request you to maintain running balance in my account & retain the credit balance in any of my/our account and to use the unutilized funds towards upfront margin requirement or any other exchange obligation unless I/we instruct you otherwise.
7. I/We request you to retain securities in your designated client account and consider them towards up front margin requirement or any other exchange obligation unless I/we instruct you otherwise.

This running account authorization will remain valid till it is revoked by me/us in writing or through

Email.

Thank you

Client Signature: _____

Place :

Note: The authorization shall be signed by the client only and not by any authorized person on his behalf or any holder

DIGITALLY SIGNED CONTRACTS/ COMMUNICATIONS – ALL EXCHANGES

(Kindly note that these additional clause(s)/ documentation(s) are voluntary and at the discretion of the stock broker/ trading member and the client. The same are required in order to ensure smooth communication between the stock broker/ trading member and the client. The client need not execute this document if he / she does not wish to. The client has the right to terminate the document)

To,
K.M.Jain Stock Brokers Private Limited
631, P.J.Towers,
Dalal Street,
Mumbai. 400001.

Re: Digitally signed contract/communication confirmation

We hereby consent for receiving contract notes in an electronic form (ECN) and other digitally signed communication via email on our email ID as under

Email ID (1): _____

Alternate Email ID (2): _____

I/We understand that:

- you shall be issuing ECNs authenticated by means of digital signatures after obtaining digital signature certificate from Certifying Authority under the IT Act, 2000
- All ECNs sent by through the e-mail shall be digitally signed, encrypted, non tamperable and shall comply with the provisions of the IT Act, 2000. In case the communication is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable
- All other communication- like bills, ledger confirmations, securities' confirmation note, daily margin statements etc. will be sent to us through my/our email ID given below and I/we am/are bound to treat them as acknowledged.
- You will allot a unique user name and password to enable us to access the ECNs posted on the website <http://www.kmjpl.com> in a secured way with an option to access the same and save the contract note electronically or take a print out of the same
- We have noted that non-receipt of bounced mail notification from our email ID shall amount to delivery of the ECNs/ communication at our e-mail ID
- Wherever the ECNs have not been delivered or has been rejected, you shall send a physical contract note to us
- Any change in the email ID shall be communicated by us through a physical letter to yourselves



(_____) (Client Sign)

Place:

Date:

ACKNOWLEDGEMENT

To,
K.M.Jain Stock Brokers Private Limited
814, P.J.Towers,
Dalal Street,
Mumbai. 400001.

Sir,

Sub: Acknowledgment of receipt of KYC documents copy

I/We hereby confirm the receipt of the following documents mentioned below:


Part - A, Mandatory Documents

- 1 Index of Information
- 2 Instructions / Check List for filling KYC Form
- 3 Contact details of Stock Broker & Regulators along with grievance
- 4 Account Opening Form
- 5 Rights and obligations
- 6 Information to client and noting
- 7 Risk Disclosure Document (RDD)
- 8 Guidance note
- 9 PMLA policy
- 10 Policies and Procedures
- 11 Tariff sheet
- 12 Mode of placing orders- authority letter

Part - B, Non - Mandatory Documents (Voluntary)

- 13 Running Account Authorization Client's Declaration
- 14 Digitally signed contract/communication confirmation
- 15 Declaration of Joint Family by HUF
- 16 Format for Declaration by Partners of Partnership Firm (Annexure I)
- 17 Format of Authority Letter in favor of Managing Partners (Annexure II)
- 18 Format of Board Resolution to be given by a Corporate (Annexure III)
- 19 Welcome letter along with allotment of UCC

Yours truly,

Client's name : _____ Signature:  _____
Date : _____

To,
Client Name : _____
Address : _____

Sir,

Sub: Trading Account & UCC

We are pleased to register you as our client for trading in the following segments:

Capital market BSE: _____ NSE: _____ MCX-SX: _____

Derivatives F&O BSE: _____ NSE: _____ MCX-SX: _____

Your 'Unique Client Code' allotted in our back office system that will be applicable across all segments is:

(UCC) Unique Client Code: _____ .Please mention your UCC to get your

trades executed through our dealer.

(Our dealer contact numbers: **022-49734183/84 /85**)

Clients holding DMAT accounts outside our in-house DP - K.M.Jain Stock Brokers Pvt Ltd, need to transfer their shares for securities pay-in obligation in the following DP accounts after trade execution.

CM PAY - INACCOUNT DETAILS

	NSDL CMBP ID	CDSL Clearing Member A/c
BSE	IN603527	12024900 00000179
NSE	IN512913	12024900 00003317
MCX-SX	IN473076	12024900 00012957

BANK ACCOUNT details for Money/Margin pay-in and other Exchange obligations

Bank of India, Stock Exchange Branch, Dalal Street, Mumbai. 400023

IFSC Code # BKID 000 00 86

Cash Segment Current A/c # **008620100011625** **Derivatives Segment** Current A/c # **008620110002318**

To check the status of your account online, please log on to our website - www.kmjpl.com

For any other information please get in touch with our nearest office where you had opened your trading Account.

Happy Trading with us!

Best Wishes,

For **K.M.Jain Stock Brokers Pvt Ltd**

Authorized signatory

Date :

Place :