
**TO APPROVE THE AMENDMENTS TO THE CUSTOMER RELATIONS POLICY OF THE
COMPANY**

Pursuant to the requirement of Securities and Exchange Board of India ('SEBI') for various segments and in order to provide consistent and superior customer experience to the customers, the Board had, at its meeting held on January 14, 2019, approved the Customer Relations Policy ('the Policy').

The main objective of the policy is to increase the general awareness of the Company's clients on the overall risk while investing, making them aware of their rights and grievance redressal mechanism. Accordingly, the Policy has been drafted in line with the guidelines prescribed by SEBI.

The Policy is required to be reviewed once in every two years. The Policy is reviewed and certain changes are proposed in the Policy.

The complete list of amendments proposed to the Policy is provided in **Annexure 1** (Refer Page No. 2).

A copy of the revised Policy is provided in **Annexure 2** (Refer Page No. 4).

The Committee is requested to review, approve and recommend the revised Customer Relations Policy to the Board for its approval.

Amendments proposed to the Customer Relations Policy:

Version 2025:

The latest version – 2025 of this Policy is proposed to include new categories and sections that have been incorporated basis Regulatory and Exchange Guidelines since the last update in 2023. The brief details are as under:

Sr. No.	Category	Remarks - New additional sections	SEBI/ Regulator Circulars Reference
1	Policies & Procedures	Internal shortages clause	Updated in April 2024 & November 2024
			SEBI Circular No. Circular MIRSD/SE/CIR-19/2009 dated December 3, 2009
2	Policies & Procedures	Voluntary freezing clause	Updated in July 2024
			SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024
			Ease of doing investments by investors - facility of voluntary freezing/ blocking of trading accounts by clients
3	Policies & Procedures	GTT policy (Good till triggered)	Updated in September 2024
4	Rights and Obligations	For MTF (Margin trading facility)	SEBI circular no. CIR/MRD/DP/54/2017 dated June 13, 2017 for MTF

5	Rights and Obligations	For clients, authorised persons and clients - part C - pages 36 to 59	Rights and Obligations of members, authorized persons and clients of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015 and SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011 & SEBI Circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/33 dated March 11, 2020
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Customer Relations Policy

Introduction:

Customer service is a key focus area at ICICI Securities Limited ('the Company'). The company is committed to provide consistent and superior customer experience to its customers. The company deals with investment products and other related services which may be delivered through an online or an offline mode. Besides service, an important part of the customer relation comprises making investors aware of key products and risks associated with the products. The objective of the customer relations policy is to increase the general awareness of the company's clients on the overall risk while investing, making them aware of their rights and grievance redressal mechanism.

The Policy:

ICICI Securities Limited - Customer Relations Policy is completely guided by the following important documents as prescribed by Securities and Exchange Board of India ('SEBI').

1. Rights and Obligations of stock Brokers, sub-Brokers and clients: The document comprehensively covers the Rights and Obligations of the company as a stock broker. The document is given in **Annexure I.**
2. Risk disclosure document for capital market and derivatives segments: This document contains important information on trading in equities/derivatives segments of the stock exchanges and specifically covers the risks that are important for the investors to be aware of. The document is given in **Annexure II.**
3. Guidance note - Dos and Don'ts for trading on the exchange(s) for investors: The note provides important points that investors need to be aware of while investing and is given in **Annexure III.**

In addition to above, the company offers a well-defined grievance redressal mechanism including a process for customers to escalate any complaints if the customers are not satisfied with the response. The Grievance redressal mechanism is available on: <https://secure.icicidirect.com/customer/customersupport>.

4. Investor charter – This document our commitments towards the clients on various service parameters. Refer **Annexure A**

The above documents comprehensively cover the objectives of the Customer Relations Policy.

Monitoring and Review:

In order to ensure that clients are aware of the customer relations policy, the company will ensure that the above documents are disseminated to all the account holders or are available online on the main website. The audit committee and the customer service council would review the trends in the complaints received by the company. Given the large number of online transactions, the Annexure issues relating to systems as reported by the customers would be presented separately to the audit Committee.

The policy would be put for review once in every two years to the Board.

**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 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 OF POSITION

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation /closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be

bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity partnership / proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/ Promoter(s)/ Partner(s)/ Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, 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-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.

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

TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or

expulsion or if the certificate is cancelled by the Board.

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

intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and

issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin

statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.

36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

37. The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI."

38. **ELECTRONIC CONTRACT NOTES (ECN)**

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.

39. 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.

40. 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.
41. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/ Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under

the extant regulations of SEBI/ stock exchanges.

42. 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.
43. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated website, 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

44. 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.

45. 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.
46. 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.
47. 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.
48. 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.

49. 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 whatsoever 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, periph-erals, 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.

RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY (MTF)

Part A : Rights and Obligations – Mandatory Clauses of BSE

1. Stock Broker/ Trading Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.
2. Stock Broker/ Trading Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/ Trading Member may note that BSE has the right to withdraw the permission at anytime.
3. Stock Broker/ Trading Member shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange / SEBI from time to time. Stock Broker/ Trading Member and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/ Stock Broker/ Trading Member.
4. Stock Broker/ Trading Member shall intimate all the terms and conditions, including maximum allowable exposure, specific stock exposures etc., as well as the rights and obligations to the client desirous of availing MTF.
5. Stock Broker/ Trading Member may, at its sole and absolute discretion, increase the limit of initial and/or maintenance margin, from time to time. The Client shall abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall within such time as the Stock Broker/ Trading Member may permit. It may however, be noted that the initial/ maintenance margins shall never be lower than that prescribed by Stock Exchange/ SEBI.
6. Stock Broker/ Trading Member shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/ SEBI.
7. Stock Broker/ Trading Member shall liquidate the securities and other collateral, if the client fails to meet the margin call to comply with the margin requirement as specified by Stock Exchange/ SEBI/ Stock Broker/ Trading Member. In this regard, Stock Broker/ Trading Member shall also list down situations/ conditions in the which the securities may be liquidated (Stock Broker/ Trading Member to list down situations/ conditions which are included in the subsequent part of the T&C below).
8. Stock Broker/ Trading Member shall not use the funds of one client to provide MTF to another client, even if the same is authorized by the first client.

9. The stocks deposited as collateral with the Stock Broker/ Trading Member for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount.
10. IPF shall not be available for transactions done on the Stock Exchange, through MTF, in case of any losses suffered in connection with the MTF availed by the client.
The rights and obligations prescribed hereinabove shall be read in conjunction with the rights and obligations as prescribed under SEBI circular no. CIR/ MIRSD/ 16/ 2011 dated August 22, 2011

Part B : Rights and Obligations – Mandatory Clauses of NSE

CLIENT RIGHTS

1. Client shall receive all communications in a mode mutually agreed between the broker and the client regarding confirmation of orders/ trades, margin calls, decision to liquidate the position / security.
2. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the Stock Broker to the Exchange towards securities after paying all dues.
3. Client has a right to change the securities collateral offered for Margin Trading Facility at any time so long as the securities so offered are approved for margin trading facility.
4. Client may close / terminate the Margin Trading Account at any time after paying the dues.

CLIENT OBLIGATIONS

1. Client shall, in writing in his own hand or in any irrefutable electronic method, agree to avail of Margin Trading Facility in accordance with the terms and conditions of Margin Trading Facility offered by the broker, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/ security/position.
2. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the broker failing which the transaction will be treated under the normal trading facility
3. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.
4. On receipt of 'margin call', the client shall make good such deficiency in the amount of margin placed with the Stock Broker within such time as the Stock Broker may specify.
5. By agreeing to avail Margin Trading Facility with the broker, client is deemed to have authorized the broker to retain and/or pledge the

securities provided as collateral or purchased under the Margin Trading Facility till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.

6. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within the timelines as may be agreed between the client and broker.

STOCK BROKER RIGHTS

1. Stock Broker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.

2. Stock broker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stock broker may make amendments there to at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the Margin Trading Facility.

3. The broker has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the Margin Trading Facility.

4. The broker may liquidate the securities if the client fails to meet the margin call made by the broker as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

STOCK BROKER OBLIGATIONS

1. Stock broker shall agree with the client the terms and condition before extending Margin Trading Facility to such client. However, for clients who already have existing trading relationship and want to avail of Margin Trading Facility, stock broker may take consent in writing in his own hand or in any irrefutable electronic method after stock broker has communicated the terms and conditions of Margin Trading Facility to such existing clients.

2. The terms and conditions of Margin Trading Facility shall be identified separately, in a distinct section if given as a part of account opening agreement.

3. The mode of communication of order confirmation, margin calls or liquidation of position/security shall be as agreed between the broker and the client and shall be in writing in his own hand or in any irrefutable electronic method. Stock broker shall prescribe and communicate its margin policies on haircuts/ VAR margins subject to minimum requirements specified by SEBI and exchanges from time to time.

4. The Stock Broker shall monitor and review on a continuous basis the client's positions with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.

5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.
6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.
7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
8. The Stock Broker shall make a 'margin call' requiring the client to place such margin; any such call shall clearly indicate the additional/deficient margin to be made good.
9. Time period for liquidation of position/security shall be in accordance declared policy of the broker as applicable to all MTF clients consistently. However, the same should not be later than 5 working (trading) days from the day of 'margin call'. If securities are liquidated, the contract note issued for such margin call related transactions shall carry an asterisk or identifier that the transaction has arisen out of margin call.
10. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
11. Margin Trading Accounts where there was no transactions for 90 days shall be settled immediately.
12. The stocks deposited as collateral with the stock broker for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount;
13. Stock Broker shall close/terminate the account of the client forthwith upon receipt of such request from the client subject to the condition that the client has paid dues under Margin Trading Facility.

TERMINATION OF RELATIONSHIP

1. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the broker, in the event of client committing any breach of any terms or conditions therein or at anytime after due intimation to client allowing such time to liquidate the MTF position as per the agreed liquidation terms without assigning any reason. Similarly, client may opt to terminate the margin trading facility in the event of broker committing any breach of any terms or conditions therein or for any other reason.

3. In the event of termination of this arrangement, the client shall forthwith settle the dues of the Stock Broker. The Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stock Broker to make such adjustment.

4. After such adjustment, if any further amount is due from the client to the Stock Broker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stock Broker, the Stock Broker shall release the balance amount to the client.

5. If the client opts to terminate the margin trading facility, broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

PART C : Terms and Conditions of ICICI Securities Limited for Trading in Margin Trading Facility

DEFINITIONS:

In these terms and conditions, unless indicated otherwise, specific words and phrases have the meaning as stated hereunder (arranged alphabetically for ease of reading) and the client confirms having read and understood these words and phrases.

"Account" shall mean the brokerage account of the Client with ICICI Securities Limited which is integrated with his Bank account maintained with ICICI Bank and Demat account maintained with ICICI Bank (as Depository Participant).

"Available Margin", shall mean, Positions marked in the MTF, margin calculated by multiplying the Current Market Price (CMP) of the security with the position quantity

In the intraday MTM process, Available Margin is compared with the Minimum Margin amount and additional Margin requirement is arrived at.

"Add Margin" shall mean the option provided to the client to allocate additional margin to his existing open positions under the Facility.

"Additional Margin" shall mean the incremental margin required to safeguard Margin Trading positions from being squared off in the Intraday MTM process.

"Auto Square Off" shall mean, the act by which I-Sec shall, after the stipulated time and at its discretion square off all such PendingForDelivery positions for which the client has failed to, within the stipulated time, meet his contractual obligation and the incidental charges thereof or for which the Convert to Delivery option has not been exercised.

"Broker Square off" is a separate product provided by I-Sec which marks (either at the time of order placement or during such time as permitted by I-Sec after the trade execution) a transaction on T Day. Under this product, with respect to the specified positions that are open after the time specified on the T day, the client authorizes I-Sec to square off or to do a CTD (depending on the availability of the requisite funds) of such positions, at its discretion, at any time thereafter.

"Client" shall mean any person who has accepted the Rights and Obligations for Margin Trading Facility and executed Power of Attorney/Demat Debit and Pledge Instruction in favour of I-Sec and has an existing and valid Account with I—Sec,

"Convert to Delivery Function (CTD)" shall mean an option provided under the facility, on availability of necessary funds, to convert an outstanding MTF Position with I-Sec into a delivery transaction, resulting into the Client taking delivery of securities.

"Fresh Margin Trading Position" shall mean the position created on execution of a Fresh Order under the Facility.

"Fresh order" shall mean an order placed by the client by which a Fresh MTF Position is taken under the Facility.

"Initial margin" shall mean the amount of margin (either in the form of cash or eligible securities) required by I-Sec to be deposited with it by the Client before undertaking Transactions in MTF.

"Intraday Mark to Market (MTM) process" (also referred to as Mark to Market Loop) shall mean, the act by which, at any time prior to the stipulated time for Auto Square off, I-Sec shall identify all such MTF positions (positions taken in the current settlement as well as PendingForDelivery positions) for which the Available margin is below the Minimum Margin and take steps as mentioned in these Terms and conditions, for collecting the required additional margin or squaring off such positions.

"Limit" shall mean the unutilized amount, primarily arising from the funds / securities allocated or furnished, available with the Client to submit as Margin for future positions that the Client proposes to take or for allocating it towards additional margin requirements on existing positions .

"Margin" shall mean the security offered/provided by the Client, whether in form of cash, securities or Fixed Deposit Receipt (FDR) as may be acceptable to ICICI Securities for due settlement of all the obligations of the Client arising out of or in connection with the Transactions.

"Margin Trading Facility (MTF)" (also referred as Client Mode) shall mean the option under the facility to mark a buy transaction (either at the time of order placement or after such time as permitted by I-Sec after the trade execution) as a transaction which the client intends to maintain beyond the current settlement by providing the necessary margins as prescribed by I-Sec from time to time and settle later by either squaring off the positions or taking delivery of securities by making the outstanding payment within the prescribed time, if any.

"Margin Trading positions" shall mean positions taken under this facility.

"Minimum Margin" shall mean the margin amount, as may be prescribed by I-Sec from time to time, that the Client is required to necessarily maintain with ICICI Securities to safeguard his position under the facility from being squared off, by I-Sec in the Intra day Mark to Market process.

"PendingForDelivery Positions", shall mean, such MTF position taken in earlier settlements by Client for which Client is required to either bring in money to take delivery or square off such positions within the stipulated time, if any.

"Securities" shall mean the equity shares/stocks of the companies in respect of which I-Sec is offering the Facility.

"Transactions" is conduct of trading in the MTF product by the client through I-Sec.

"Website" shall mean the website at the URL www.icicidirect.com, Mobile App, Low Bandwidth Site and other trading front ends maintained by I-Sec from time to time to offer on-line investment and trading in various financial products to the Clients, through different media including but not limited to the Internet, IVR, VSATs, CallNTrade, Mobile, WAP, physical outlets, kiosks.

PRODUCT FEATURES

Margin Trading Facility hereinafter referred to as "MARGIN TRADING" or "MTF", is a facility offered by I-Sec which allows the Client to take positions by providing prescribed margin and the balance amount is funded by I-Sec to meet the pay-in obligation of the Client. Client can later take delivery either by making the necessary funds settlement or square up such positions. The client agrees that any fresh position under MTF shall be allowed to be created only when client has provided Initial Margin required for such position in such form as specified by I-Sec. The balance obligation would be funded by I-Sec and will be paid to the stock exchange for meeting the client's pay-in obligation. Client then needs to ensure that the available margin is always above the Minimum Margin specified by I-Sec to avoid squaring off the positions.

Margin Trading orders will be allowed only if the order prices are within the daily price range decided by the Exchange and within the daily price range as decided by I-Sec, if any, from time to time. If the order price is not within the above price range, such Fresh order(s) would be rejected.

The client understands that the positions will be permitted to be continued upon fulfillment of the necessary Margin requirements as specified by I-Sec for the particular scrip from time to time. The Client agrees that though presently there is no maximum time limit prescribed by I-Sec for keeping the positions open, I-Sec reserves the right at its discretion to stipulate a maximum time within which Client will have to take the delivery thereof.

The client understands that securities purchased by the Client which are pending to be settled can be viewed by the Client on the 'Pending for delivery' page of his www.icicidirect.com account.

The client understands that if he has already placed a MTF order or has an MTF position in a security on a day, the client will not be permitted to place subsequent orders in the "Broker square off" mode in the same security and vice versa. However, the client will be provided the option of changing the square off mode of all the open

positions to "Broker Square off" after which fresh orders in that security can be placed under the "Broker Square off" mode and vice versa.

With respect to every PendingForDelivery position, the Client will have the following options under the facility:

- i. Switch the position to "Broker square off" on the day of taking position . The option can be exercised only prior to the trigger of the AUTO SQUARE OFF process on a given day.
- ii Make additions to the margin amount on a position anytime prior to the trigger of the AUTO SQUARE OFF process till the position(s) is/are permitted to be kept open by I-Sec.
- iii. Exercise the option of Convert to Delivery (subject to availability of funds to meet the contractual obligations for the position) anytime till the position(s) is/are permitted to be kept open by I-Sec.

The client understands that the Convert to Delivery option for PendingForDelivery positions can be exercised in the chronological order in which they were created; ie open positions of an earlier settlement have to be closed first; only after which open positions in the later settlements will be permitted to be closed.

The client agrees that, securities purchased by the client shall be retained by I-Sec in its demat account until the client fulfills the contractual obligation for the respective BUY transaction in which the securities are bought. On settlement of the contractual obligations, the securities will be delivered to the linked Demat account of the client.

If the client fails to make the necessary Funds PAYin by the stipulated time (if any), the securities will be sold by I-Sec, at its discretion, in the subsequent settlement(s) for the purpose of settling the outstanding amount.

The client agrees that there can be a short delivery of securities from the Exchange for the PendingForDelivery transaction. For such transactions, the Exchange would either give delivery of shares through market auction or shall closeout the buy transactions as per the Exchange Regulations. All costs and consequences, if any, arising out of such auction or close out shall be fully borne by the client and I-Sec would not be held responsible for any such short delivery received by the client and the consequential impact thereof.

The client agrees that I-Sec may at its discretion, in accordance with its risk management policy, disable certain securities and square off all open positions in such scrip which are not converted to delivery irrespective of margin availability on account of corporate action such as stock split, issue of bonus shares, merger and the like. Client agrees that I-Sec cannot be held liable for any losses arising out of such disablement or squaring off of security.

The Client confirms that he is aware of the charges and other statutory levies as are prevailing and as they apply to the facility. The schedule of charges would be provided to the Client, by

displaying such schedule on the Website. The schedule of charges would be subject to change by I-Sec and statutory levies may change from time to time and client agrees and accepts to comply by these charges.

The client agrees that he/she shall be liable to pay Interest rate @ 0.065% per day or such rate as may be decided from time to time by ICICI Securities Ltd, on all outstanding payment beyond the due date (i.e. pay-in-date) by the client to ICICI Securities Ltd.

The Client understands that under MTF, Client would not be able to take further positions and/or existing positions may be squared off by I-Sec at its discretion on occurrence of any of the following events :

1) If at any point of time total exposure across all stocks of all the Clients of I-Sec taken together under this facility exceeds the SEBI / Stock Exchange prescribed maximum allowable exposure limit specified for a stock broker. Client agrees that I-Sec may set this limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.

2) If the Client exceeds or is about to exceed the maximum allowable exposure for a single Client. Client understands that SEBI has prescribed a maximum limit for allowing exposure to a single Client. Client agrees that I-Sec may set this single Client exposure limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.

3) If the total exposure in a particular stock of all the Clients of I-Sec taken together under this facility reaches the maximum allowable limit for that stock as defined by I-Sec.

4) If the exposure in a particular stock by a single Client under this facility reaches the maximum allowable limit for that stock for a single Client as defined by I-Sec.

5) If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF.

6) Any other circumstances due to change in regulatory requirements from time to time or risk management process due to changing market conditions.

The client understands that presently the Margin Trading Facility is offered by I-sec only in BSE. This Facility may be offered subsequently in NSE for which the same terms shall apply unless otherwise communicated. The Client understands that the existing Equity Terms and Conditions displayed on the website shall continue to apply to Margin Broker Square Off Mode product and NSE Margin Client Square Off Mode product (T+5) offered by I-Sec. The terms mentioned herein are applicable only for Margin Trading (Funding) product offered by I-Sec under SEBI circular no. CIR/MRD/DP/54/2017 dated June 13, 2017.

The client understands that I-Sec shall be reporting to stock exchanges on a daily basis the details of client's funded positions/ collateral stocks and such other details as may be required by stock exchanges from time to time.

The client understands that client is required to disclose whether he is a promoter or forming of the promoter group of the stock in which he has taken an MTF position or given as collateral which is required for daily reporting to stock exchanges. I-Sec shall provide client a tool on website to disclose his promoter status and client agrees to disclose his/her status for all such stocks. In absence of any such disclosure, I-Sec shall consider the client as a non promoter and will report to stock exchanges accordingly.

RISK MANAGMENT

The Client understands that regulators have prescribed stocks which are eligible to be offered in MTF. Hence, MTF shall not be offered in all the stocks traded on Stock Exchanges. The client agrees that I-Sec shall have the discretion to select securities that will be enabled for trading under the Facility as per its internal risk management policy and the number of stocks enabled for trading under MTF by I-Sec can be smaller than the number of stocks allowed by regulators. The client agrees that I-Sec may require the client to provide such margin (in such form and manner as acceptable to I-Sec) depending on the security and market volatility as it deems fit in its sole discretion as necessary for risk mitigation. This margin requirement may be more than the margin prescribed by SEBI/ stock exchanges. Margin may be taken in cash, Cash equivalent or eligible shares as may be acceptable to I-Sec. In the event the client offers securities as margin to I-Sec, then the Terms and conditions as mentioned under "MARGIN SECURITIES" elsewhere in this Terms and conditions shall apply.

The Client agrees that I-Sec may at its sole discretion, change the margin requirement on the Transactions, in which the Client has taken or proposes to take positions depending on its own risk mitigation measures and without intimating or consulting the client. Due to increased volatility in the prices, the margin requirement may be increased and in such event the Client undertakes to allocate additional funds/securities to continue with the open position. If such Margin requirement is not met, the position may come in MTM loop and may be squared off by I-Sec due to insufficient Margin. The Client undertakes to maintain sufficient Limit in the Equity segment to safeguard the open position from being squared off or pending orders being cancelled.

The Client agrees that under the Facility, Margin shall be blocked at the time of order placement after taking into account the current market price / weighted average price. For market orders, margin shall be blocked considering the order price as the last traded price of the security. In the event the actual trade execution takes place at a price different from the price at which the Margin was blocked, the required Margin would then be re-calculated and the limits would be blocked at the actual Traded Price. In case of order modification also, the required Margin shall be re-calculated and excess margin, if any, shall be released or additional margin needed, if any, will be

blocked. In case the available Margin with I-Sec is insufficient, then the order modification request would get rejected.

The Client understands that the Client's positions are continuously monitored and the Client agrees to provide Margin (including additional Margin) as may be determined by I-Sec from time to time. The Client understands that securities enabled under the facility are continuously tracked and if, during the day, the last traded price for any security moves above or below its previous trading day closing price at such percentage as may be prescribed by I-Sec from time to time, the security will be disabled from further trading in MTF for that day.

If, during the day, a security is in negative compared with the previous trading day closing price then, for that security, all pending MTF orders will be cancelled and all MTF open positions will be squared off at market price.

The Client understands that the Intraday MTM process will be run on a daily basis at discretion of I-Sec, prior to the stipulated time (if any) for the AUTO SQUARE off process. The Client understands that the Intraday MTM process is run separately for the positions marked under the Broker Square Off Mode and MTF (positions taken in the current settlement) and the PendingForDelivery positions. I-Sec reserves the right to decide the timing and frequency for running the Intraday MTM process.

The client confirms that he has read and understood the modalities of the Intraday MTM Process and risk management processes as mentioned herein below and as posted on the website in the form of Frequently Asked Questions (FAQs). The client understands and agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/alterd FAQs.

In the Intra-day MTM process, if it is observed that the Available Margin on the position has fallen below the Minimum Margin required, I-Sec would block additional Margin required from the Limits available. In case Limits are not sufficient to meet the additional Margin requirements then I-Sec may place a square off order at market rate to close the position. However, before placing the square off order all pending orders in MTF in that security may be cancelled by I-Sec.

If the available Limit is not sufficient to meet the demand for additional Margin, I-Sec may close out the open position taken by the Client and the Client shall be solely responsible for any losses arising on account of the same. It shall be the responsibility of the Client to regularly monitor and review the Margin availability and furnish the additional Margin to I-Sec.

The Client agrees that the Mark to Market (MTM) process run by ICICI Securities to call for additional margin on Client positions shall

be considered as online margin call given to the client. Further, the client has been provided with tools on the website itself where he can ascertain details of his existing margin blocked, margins required, MTM loss adjustment, margin shortfall, margin percentage etc. The margin requirement derived by use of these tools and the MTM process run by ICICI Securities to call for additional margin on open positions will be construed as margin call/ demand for the additional margin required by I-Sec. Clients are bound to monitor and review their open positions and margin requirements all the times and furnish the additional margin to the Company. I-Sec reserves the right to close out the open position at any time in case the Client does not satisfy the additional Margin requirements. The Client shall maintain sufficient Limit to provide Margin as and when required by I-Sec. Client agrees that the client's position shall be liquidated if there is margin shortfall while running the daily Intraday MTM process and I-Sec shall not wait further for liquidation of positions. Client agrees that the mode of communication to clients pertaining to order/trade confirmation, margin requirements/shortfall and liquidation of stocks will be electronic through customer's online account.

Client understands that I-Sec has developed an alert mechanism through which clients are alerted on possible breach of margin requirements. Client understands that if available margin on any margin position is highlighted in red colour (or such colour as may be modified by I-Sec from time to time which shall be intimated through website) in the customer's account, it indicates that the available margin on that position has fallen and is very close to breaching the minimum margin requirement but still above required minimum margin. If available margin falls below the minimum margin required on that position, then such position may be squared off in the intraday MTM process if additional margin is not allocated. This too shall be considered as a margin call on that position. Client agrees to allocate additional margin immediately to meet the margin shortfall else such position may be squared off by I-Sec, on best effort basis.

Due to MTM and blocking of Additional Margin, Limits may become lesser over a period of time and because of the same, positions may fall in the MTM loop and may get squared off unless the Client provides fresh Limits.

The Client hereby undertakes to allocate additional Margin voluntarily, on any open position and make available sufficient Margin against the position to avoid square off of the position by I-Sec.

The client understands that Stocks bought under the MTF shall be marked to market on daily basis and collateral stocks shall be revalued frequently. Further, client agrees that no exposure shall be given on increased value of stock funded by I-Sec.

The client understands that additional Margin can be added to an open position by using the "Add Margin" option under the facility.

The Client understands that margin amount on the PendingForDelivery positions, whether allocated by the client himself or by the system in the MTM processes, will be debited/blocked by I-Sec from/in the Client's linked Bank account on a daily basis.

The client understands that if he fails to provide the necessary amount for meeting the Additional Margin requirement for PendingForDelivery positions during the period it is being carried forward or the Payin amount needed to enable delivery of securities within the stipulated time, I-Sec would have the discretion to square off the open position in the AUTO SQUARE OFF process, after the stipulated time (if any).

Presently, I-Sec has not stipulated any time for running AUTO SQUARE OFF process i.e. no maximum time limit for compulsorily taking delivery of positions or for squaring off positions before a specified period. However, I-Sec may later specify a time period for the same at its discretion which shall be communicated to Clients accordingly. I-Sec shall have the sole discretion to decide upon the frequency and timing of the AUTO SQUARE OFF process if the same is introduced by I-Sec.

In the AUTO SQUARE OFF process, I-Sec shall, at its discretion, In case of PendingForDelivery positions, square off all such positions for which the permitted period(if specified by I-Sec) for keeping the position open has expired and which have neither been squared off nor Converted to Delivery by Client within the stipulated time.

The Client agrees that I-Sec would not be liable in the event for reasons including but not limited to lack of adequate offered quantity, the entire quantity of the square off order placed by the client is not fully executed upto the Limit Price. In such a scenario, I-Sec would, at the time of the AUTO SQUARE OFF process, cancel these unexecuted square off orders and place square off orders at Market prices so that such orders can be squared off immediately at market prices. Any loss arising out of such square off would be fully borne by the Client.

The client confirms that he has read and understood the modalities of the AUTO SQUARE OFF and EOD MTM process as mentioned herein and as posted on the website in the form of FAQs . The client agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered FAQs.

The Client agrees that I-Sec would have the discretion to square off, without giving any notice, the client's position and cancelling pending orders under the facility in following circumstances:

i. If the Available Margin in any security has fallen below the Minimum Margin and the Client has not taken any steps either to replenish the margin or square up the open position. The MTM process run by ICICI Securities to call for additional margin shall be considered as online margin call given to the client.

ii. All positions under the MTF in a particular security, if the last traded price for that security moves by a particular percentage as maybe specified by I-Sec from time to time, below its previous trading day closing price.

iii. All positions under the MTF in a particular security, if such security is shifted from a higher price band/ no price band category to a lower price band category or is shifted from Normal to Trade to Trade (i.e under compulsory delivery) category as maybe specified by I-Sec from time to time.

iv. All other cases where the margin or security placed by the Client falls short of the requirement or where the limits given to the Client has been breached or where the Client has defaulted on his existing obligation.

v SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that I-Sec reserves the right to decide the securities which it may accept as margin from clients.

vi. If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF as per SEBI defined norms.

Client agrees that although the auto square off trigger point is pre-defined, subsequent to which I-Sec could exercise its discretion to carry out the square off within a reasonable period of time, the actual execution could happen at a price different from the trigger point and the Client agree to bear the loss based on actual executed price. I-Sec shall also have the right to cancel any or all open orders and/ or close any or all outstanding positions. Client understands that in case the AUTO SQUARE OFF does not take place due to any reason whatsoever, I-Sec shall, at its discretion, exercise the option of CTD (Convert to Delivery).

If CTD also fails due to non-availability/shortage of funds in the linked bank account, then for the open MTF position, the shares will not be delivered to the Client and I-Sec will liquidate the shares anytime. Consequently, the Client will be responsible for any resulting losses, brokerage and all associated costs including penalty levied by the Exchange.

a) **EOD MTM PROCESS**

The Client understands that the End of Day Mark to Market (EOD MTM) Process will be run on a daily basis for all PendingForDelivery positions. The process will be run security-wise for each client, in which all PendingForDelivery positions of the client in various settlements will be cumulated and considered as a single unit for further processing in the EOD MTM activity. Under the process, the system will compare the security-wise cumulative Available Margin against the cumulative Minimum Margin requirement for the PendingForDelivery positions in that security. If the security-wise Cumulative Available Margin is less than the security-wise Cumulative Minimum Margin required across all the positions in that security, Additional margin requirement will be calculated for such security. The Additional Margin will be blocked from the allocated amount and Limits shall be reduced by the amount so blocked.

b) **CALLS FOR ADDITIONAL COLLATERAL AND LIQUIDATION**

If it is considered necessary for its own protection, I-Sec may require the Client/s to immediately deposit cash or collateral into their account prior to any applicable settlement date in order to assure due performance of their open contractual commitments. If Client/s do not provide the additional cash or collateral, Client/s hereby understand and acknowledge that I-Sec has the right to sell any or all securities and other property in their account, buy any or all securities and other property which may be short in their account, cancel any or all open orders and/or close any or all outstanding contracts. In addition, Client/s understand and agree that I-Sec may exercise any or all of the above rights without demand for additional cash or collateral, or notice of sale or purchase, or other notice or advertisement. Any such sales or purchases may be made at any time at I-Sec's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, or I-Sec may be the purchaser/seller for its own account.

OTHER RIGHTS OF ISEC UNDER THE FACILITY

I-Sec, at its sole discretion, reserves the right to either temporarily or permanently, withdraw or suspend the Facility at any time without giving any notice or assigning any reason for the same, whether in respect of one or more Clients. In case of a temporary withdrawal, the privileges may be reinstated by I-Sec at its sole discretion.

I-Sec shall decide upon the list of Securities in which the Clients would be permitted to take Fresh Margin Trading Positions under the Facility. This list of Securities would be provided to the Client, by displaying such list on the Website. Such list of Securities would be subject to change by I-Sec from time to time. I-Sec may also at its sole discretion decide to withdraw a particular security from the list without notice to the clients and without assigning any reasons whatsoever.

I-Sec shall decide upon the Security specific Margin applicable for taking Fresh Margin Trading Positions in various Securities under the Facility. I-Sec reserves the right to alter the Security specific Margin applicable for a Security without notice to the Client and without assigning any reasons whatsoever. The Security-specific Margin rates, would be provided to the Client, by displaying such list on the Website. Client understands that I-Sec may impose margins higher than the margin requirements prescribed by SEBI/ Stock Exchanges.

The Client agrees that in case of insufficient Limits, to safeguard its interest I-Sec may, at its discretion, block and debit any unallocated funds lying in Client's Bank Account integrated with the Account and /or debit securities lying in Client's demat account integrated with the Account towards dues recoverable from the client.

No delay in exercising or omission to exercise any right, power or remedy accruing to I-Sec upon any default by the Client or otherwise under these Right and Obligations document or the Client Agreement shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of I-Sec in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of I-Sec in respect of any other default. The rights of I-Sec under these Terms and Conditions and the Client Agreement are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at the sole discretion of I-Sec.

Client agrees that in case of any disagreement or dispute pertaining to transactions done under MTF, client shall lodge the complaint with I-Se within 30 days of execution of the disputed transaction or such other time as maybe specified by I-Sec from time to time.

CLIENT AUTHORISATIONS AND INDEMINITIES

The Client agrees and undertakes to provide I-Sec with all the documents and particulars, which may be required by I-Sec, pursuant to the Client availing of this Facility.

The use of this facility is entirely voluntary and the facility has to be used in accordance with the applicable rules/ regulations/ guidelines specified by the Securities and Exchange Board of India and other competent authorities from time to time. I-Sec disclaims all liability for any loss caused to the Client out of the purchase or sale of securities through use of this facility.

The Client agrees that the Frequently Asked Questions (FAQs) for the MTF , as posted on the website, are an integral part of this Terms and Conditions. The client acknowledges as having read and the understood these FAQs. The client understands and agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of

the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/alterd FAQs.

The Client hereby directs and authorises ICICI Bank Limited as the Depository Participant to act on the directions given by I-Sec pursuant to the terms and conditions mentioned herein, power of attorney and Client Agreement executed by the Client in favour of/ with I-Sec.

The Client hereby agrees and undertakes not to hold ICICI Bank Limited (Depository Participant), I-Sec and ICICI Bank Limited (the bank) liable for any claim, action, grievance or dispute that the Client may suffer and shall indemnify and save harmless ICICI Bank Limited (Depository Participant), I-Sec and ICICI Bank Limited (the bank) from any claim, action, dispute or grievance that any third party may have, on account of ICICI Bank Limited (Depository Participant), I-Sec and/or ICICI Bank Limited (the bank) having acted in pursuance of the directions and/or authorisations of the Client and/or I-Sec.

Under no circumstances shall I-Sec be liable to the Client for indirect, incidental, consequential, special or exemplary damages arising from or in connection with the Facility provided to the Client, even if I-Sec have been advised of the possibility of such damages, such as, but not limited to, loss of revenue or anticipated profits or lost business.

The Client agrees and understands that the client shall, at all times, be responsible for the client's investment decisions and/or orders placed, or applications preferred by the Client, either electronically or otherwise. ICICI Securities shall not be deemed to have received any electronically transmitted order or application until ICICI Securities has confirmed the receipt of such an order or application. The client further understands that trading through www.icicidirect.com or other trading platforms provided by I-Sec 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. The client understands and agrees that although these problems may be temporary in nature, in case when the client has outstanding open positions or unexecuted orders, these represent a risk because of the client's obligations to settle all executed transactions. The Client understands that placing an order with ICICI Securities, either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. The Client shall not hold, nor seek to hold, ICICI Securities and/or any of

its officers, directors, employees, agents, subsidiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client due to exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the Internet, unauthorised access, theft, or any problem, technological or otherwise, or other condition beyond the control of ICICI Securities that might prevent the Client from entering an order or ICICI Securities, from executing an order.

C. MARGIN SECURITIES

The Margin Securities would constitute the security towards due performance of the Client's obligations, commitments, operations, obligations and liabilities arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by the Client.

The Client undertakes that the Margin Securities shall be owned by the Client and shall be free of any charge, lien or other encumbrances at the time of offering the same towards margin to ICICI Securities. The client understands that I-Sec shall apply applicable haircut on the value of margin securities for giving exposure limits.

The client understands that securities provided as margin can be withdrawn by the client only to the extent of free limits available in trading account.

The client agrees that ICICI Securities shall have right to accept FDRs only from banks specified by ICICI Securities from time to time. The client understands that FDRs provided as margin can be withdrawn by the client only as per the terms specified by I-Sec from time to time.

SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then the limit given against such stock shall be withdrawn by I-Sec immediately. In view of the same, MTF open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that I-Sec reserves the right to decide the securities which it may accept as margin from clients.

The Client agrees that the Client shall furnish additional Margin Securities as may be required by ICICI Securities from time to time. Collateral stocks shall be either blocked/pledged by I-Sec in client's demat a/c or will be debited from client's demat a/c to be held by I-Sec as per its discretion. Stocks bought under MTF and not paid for by the client too shall be held by I-Sec as a security towards outstanding payment. The collateral stocks and funded stocks shall be released by I-Sec only when the client has cleared all the outstanding dues payable to I-Sec.

The Client agrees that the Client shall not, without ICICI Securities' prior written permission, create any charge, lien or encumbrance of any kind over the Margin Securities offered to ICICI Securities and further that, the Client shall not do or allow anything to be done that may prejudice the interest of ICICI Securities in respect of the Margin Securities while the Client remains liable to ICICI Securities, in any manner whatsoever, without the prior written permission of ICICI Securities:

1. Power of Attorney/Demat Debit and Pledge Instruction:

The Client agrees and acknowledges that pursuant to the Power of Attorney/Demat Debit and Pledge Instruction executed by the Client in favour of ICICI Securities, ICICI Securities shall be entitled to submit necessary documents on behalf of the Client to ICICI Bank Limited, acting as the Depository Participant, for enabling the Depository to block the securities or mark a pledge in favour of ICICI Securities in respect of the Margin Securities and also submit further documents on behalf of the Client to request the Depository to remove the pledge/block created with respect of the Margin Securities.

ICICI Securities shall also be entitled to give such instructions to ICICI Bank Limited acting as the Depository Participant to block/mark a lien on the Margin Securities offered by the Client and upon such instructions, the Client shall not be able to deal or trade in such Margin Securities without consent of ICICI Securities.

2. ENFORCEMENT OF SECURITY:

If in the opinion of ICICI Securities, the Client has failed to perform and/or failed to fulfill any of its engagements, commitments, operations, obligations or liabilities as a Client of ICICI Securities including for any sums being due by him to ICICI Securities or to any other party arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by it or in terms of regulations, laws, rules governing ICICI Securities or the Client in this behalf, then the Client agrees that ICICI Securities without giving any notice to the Client except through the margin call process as mentioned in these terms in relevant sections, shall be empowered/entitled to invoke pledge, sell, dispose of or otherwise effect any transfer of any or all of the Margin Securities in such manner and subject to such terms and conditions as it may deem fit and that the money realized, if any, from such sale/disposal/transfer subject to dues payable to ICICI Securities for such sale/ disposal/or other transfer shall be utilized/dispensed by ICICI Securities in such manner and subject to terms and conditions as it may deem fit. Further, the Client shall do all such things, deeds, acts and execute all such documents as are necessary to enable ICICI Securities to effect such sale/disposal/ transfer. All decisions by ICICI Securities in respect of the obligations or liabilities or commitments of the Client and the amount claimed in respect thereof shall be binding on the Client. The Client agrees that ICICI Securities shall not be under any liability

whatsoever to the Client or any other person for any loss, damage, expenses, costs etc, either actual or notional, consequent to such sale/disposal/ transfer.

If the total amounts realized from such sale/disposal/transfer is insufficient to fulfill the Client's engagements, commitments, operations, obligations or liabilities in entirety, the Client shall, forthwith and without demur, upon being requested by ICICI Securities, furnish the balance amount together with interest at such rate as decided by ICICI Securities and for costs and expenses from time to time. ICICI Securities shall also have the right to sell/dispose/ transfer any other securities of the Client, at the cost of the Client and without intimation to the Client.

The Margin Securities shall be at the disposal of ICICI Securities and remain available in respect of the obligations, liabilities or commitments of the Client and may be utilized with the discretion of ICICI Securities.

The Client agrees that ICICI Securities shall be entitled to sell, pledge, block / unblock, deal with or otherwise transfer the Margin Securities to any third party, including the Clearing Corporation/House of the respective exchanges (if acceptable by exchanges)and declare to the third party that all the Margin Securities are being provided to such parties as securities being the unencumbered, absolute and disposable property of ICICI Securities and free from any prior charge, lien or encumbrance, and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose. ICICI Securities shall be entitled to receive from the Client all costs, charges, expenses incurred by ICICI Securities for the aforesaid purposes as well as any consent, ratification or the like which shall not be withheld or delayed for any reason and in case of failure of which ICICI Securities is hereby permitted and authorized to provide the same for and on behalf of the Client.

Further that it is hereby agreed that benefits such as dividends, bonus, redemption benefits, interest accruing on the Margin Securities during the period of transfer except post invocation of the pledge in favour of ICICI Securities or selling or disposing or otherwise effecting any transfer of the Margin Securities above shall accrue to the Client and the Client shall be entitled to receive the same from ICICI Securities.

The Client agrees that the Margin Securities shall continue to be available to ICICI Securities under the facility and the same shall not be affected in any manner whatsoever by any action by ICICI Securities against the Client including suspension or termination of any of the Account with ICICI Securities or of the facility.

I/We confirm having read and understood the above terms and agree to be bound these terms.

RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORISED PERSON AND CLIENTS AS PRESCRIBED BY SEBI AND COMMODITY EXCHANGES

1. The client shall invest/trade in those commodities / contracts / other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules / Regulations of Exchanges / SEBI and circulars / notices issued there under from time to time.
2. The Member, Authorized Person & the client shall be bound by all the Rules, Byelaws & Business Rules of the Exchange & circulars/ notices issued there under & Rules & Regulations of SEBI & relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy himself of the capacity of the Member to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.
4. The Member shall continuously satisfy itself about the genuineness & financial soundness of the client & investment objectives relevant to the services to be provided.
5. The Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.
6. Requirements of professional diligence a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it. b. "Professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with :
 - i. Honest market practice;
 - ii. The principle of good faith;
 - iii. The level of knowledge, experience & expertise of the Client;
 - iv. The nature and degree of risk embodied in the financial product* or financial service being availed by the Client; and
 - v. The extent of dependence of the Client on the Member.

*Commodity derivative contract

7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

CLIENT INFORMATION

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-

mandatory; therefore, subject to specific acceptance by the client.
 10. The client shall immediately notify the Member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the Member on a periodic basis.

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

a. An unfair term of a non-negotiated contract will be void.

b. A term is unfair if it :

i. Causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and

ii. Is not reasonably necessary to protect the legitimate interests of the Member.

c. The factors to be taken into account while determining whether a term is unfair, include :

i. The nature of the financial product or financial service dealt with under the financial contract;

ii. The extent of transparency of the term;

**Contracts offered by commodity exchanges

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

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

d. A term is transparent if it :

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

ii. Is legible and presented clearly; and

iii. Is readily available to the Client affected by the term.

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

11. B.

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

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

ii. A standard form contract.

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

11.C.

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

i. An overall and substantial assessment of the financial contract; and

ii. The substantial circumstances surrounding the financial are not negotiated between the parties to the financial contract and includes

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

ii. A standard form contract.

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

11. C.

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

i. Defines the subject matter of the financial contract;

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

iii. Is required, or expressly permitted, under any law or regulations.

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

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

13. A. Protection of personal information and confidentiality

a. "Personal information" means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes :

i. Name and contact information;

ii. Biometric information, in case of individuals

iii. Information relating to transactions in, or holdings of, financial products

iv. Information relating to the use of financial services; or

v. Such other information as may be specified.

13. B.

a. A Member must :

i. Not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;

ii. Maintain the confidentiality of personal information relating to

Clients and not disclose it to a third party, except in a manner expressly permitted under point

13.B.b.;

iii. Make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;

iv. Ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and

v. Allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.

b. A Member may disclose personal information relating to a Client to a third party only if :

i. It has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;

ii. The Client has directed the disclosure to be made;

iii. The Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

iv. The disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

v. The disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member :

1. Informs the Client in advance that the personal information may be shared with a third party; and

2. Makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or

vi. The disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

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

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

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

i. Sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;

ii. In writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
 iii. In a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.

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

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

14. B.

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

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

b. A continuing disclosure must be made :

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

MARGINS

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

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

TRANSACTIONS AND SETTLEMENTS

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

18. The Member shall inform the client and keep him apprised about trading / settlement cycles, delivery / payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules / procedures of the relevant commodity exchange where the trade is executed.

19. The Member shall ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.

20. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, Member shall be entitled to cancel the respective contract(s) with client(s).

21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars / notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars / notices issued thereunder.

BROKERAGE

22. The Client shall pay to the Member brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant commodity exchanges and/or Rules of SEBI.

LIQUIDATION AND CLOSE OUT OF POSITION

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

Member shall be entitled to liquidate/close out all or any of the client's positions for nonpayment 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 & borne by the client.

24. 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 commodities which the client has ordered to be bought or sold, Member may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

DISPUTE RESOLUTION

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

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

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

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

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

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

- i. The Client's right to seek redress for any complaints; and
- ii. The processes followed by the Member to receive and redress complaints from its Clients.

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

a. A Member must :

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

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

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

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

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

ii. May provide the financial product or financial service requested by the Client only after complying with point

29. A.a & obtaining a written acknowledgment from the Client.

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

a. A member must :

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

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

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

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

b. The information under point 16a.i. must be given to the Client in writing & in a manner that is likely to be understood by the Client and a written acknowledgment of the receipt of the information should be obtained from the Client.

c. In this section, "conflicted remuneration" means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients, that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

TERMINATION OF RELATIONSHIP

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.

32. The Member, Authorized Person and the client shall be entitled to terminate the relationship between them without giving any

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

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

ADDITIONAL RIGHTS AND OBLIGATIONS

34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI & the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement immediately but not later than 30

calendar days of receipt thereof, to the Member. A detailed statement of accounts must be sent every month to all the clients in physical form. The proof of delivery of the same should be preserved by the Member.

38. The Member shall send margin statements to the clients on monthly basis. Margin statement should include, inter alia, details of collateral deposited, collateral utilized and collateral status (available balance / due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee, warehouse receipts, securities etc.

39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct a. Unfair conduct in relation to financial products or financial services is prohibited.

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

- i. Misleading conduct under point 41.B
- ii. Abusive conduct under point 41.C
- iii. Such other conduct as may be specified.

41. B:

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

- i. Providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
- ii. Providing accurate information to the Client in a manner that is deceptive.

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

- i. The main characteristics of a financial product or financial service, including its features, benefits & risks to the Client;

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

41.C.

- a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it :
 - i. Involves the use of coercion or undue influence; and
 - ii. Causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
- b. In determining whether a conduct uses coercion or undue influence, the following must be considered :
 - i. The timing, location, nature or persistence of the conduct;
 - ii. The use of threatening or abusive language or behavior;
 - iii. The exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
 - iv. Any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including
 - v. The right to terminate the financial contract;
 - vi. The right to switch to another financial product or another Member and
 - vii. A threat to take any action, depending on the circumstances in which the threat is made.

ELECTRONIC CONTRACT NOTES (ECN)

- *42. 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.
- 43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.

* Substituted with Clause 37 of Annexure-4: 'Rights and Obligations of Stock Brokers and Clients' of SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011 pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/33 dated March 11 2020.

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

45. The Member 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/circulars/guidelines issued by SEBI / Commodity exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the Member for the specified period under the extant rules / circulars / guidelines issued by SEBI / Commodity exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/ circulars/guidelines issued by SEBI/Commodity exchanges.

46. The Member shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI / commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.

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

LAW AND JURISDICTION

****48. [**]**

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

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

**** Omitted by SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/33 dated March 11 2020.**

51. The Member and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal, if either party is not satisfied with the arbitration award.

52. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations/Business Rules and circulars / notices issued thereunder of the Exchanges / SEBI.

53. All additional voluntary/non mandatory clauses/document added by the Member should not be in contravention with Rules / Business Rules / Notices / Circulars of Exchanges / SEBI. Any changes in such voluntary clauses / document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges / SEBI shall also be brought to the notice of the clients.

54. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

55. Members are required to send account statement to their clients every month in physical form.

INTERNET AND WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS TO CLIENT

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

1. Member is eligible for providing Internet based trading (IBT) and commodities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The Member shall comply with all requirements applicable to internet based trading/-commodities 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 commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI / Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges / SEBI.

3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with

commodities trading through wireless technology / internet or any other technology should be brought to the notice of the client by the Member.

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

5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/ commodities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the Member.

6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member's IBT System, discovers/suspects discrepancies/ unauthorized access through his username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet / commodities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username / password in any manner whatsoever.

8. The Member shall send the order / trade confirmation through email to the client at his request. The client is aware that the order / trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the Member shall send the order/trade confirmation on the device of the client.

9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Member and the Exchange do not make any representation or warranty that the Member's IBT Service will be available to the Client at all times without any interruption.

10. The Client shall not have any claim against the Exchange or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link / system failure at the Client / Members / Exchange end for any reason beyond the control of the Member / Exchanges.

RISK DISCLOSURE DOCUMENT FOR SECURITIES MARKET.

This document contains important information on trading in Equities/Commodities /Derivatives Segments of the exchanges. All prospective constituents should read this document before trading in Equities/Commodities / Derivatives Segments of the Exchanges. 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 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. You should, therefore, study derivatives trading carefully before becoming involved in it. In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk. You must know and appreciate that trading in Equity shares, Commodities derivatives contracts or other instruments traded on the 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 Exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and 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 & no contract can be rescinded on that account. You must acknowledge & 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 Exchanges. It must be clearly understood by you that your dealings on 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 exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by exchanges or its Clearing Corporation and in force from time to time. Exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of 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/investment advice. No consideration to trade should be made without thoroughly understanding & reviewing risks involved in such trading. If you are unsure, you must seek professional advice on the same. In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following: Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

1. BASIC RISKS:

1.1 Risk of Higher Volatility:

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the 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 actively securities / commodities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

1.2 Risk of Lower Liquidity:

- a. 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

ontracts 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.

- b. Buying / Selling without intention of giving and / or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative contracts may have to be squared-off at a low / high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such commodities.

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

- 1.3 Risk of Wider Spreads: Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility

may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

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

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

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

- 1.4.3 A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the

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

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

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

1.7 System Risk: High volume

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

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

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

1.8 System/ Network Congestion: Trading on exchanges is in electronic mode, based on satellite/ leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/ glitch whereby not being

able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

2. As far as Derivatives segments are concerned, please note and get yourself acquainted with the following additional features:

2.1 Effect of "Leverage" or "Gearing": In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin / principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may

lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

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

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

D. In order to maintain market stability, the following steps may be adopted: changes in

the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

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

2.2 Currency specific risks:

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 eg. when a currency is deregulated or fixed trading bands are widened.
3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international

interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

2.3 Risk of Option holders:

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

2.4 Risks of Option Writers:

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

- of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
 3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.
 3. **TRADING THROUGH WIRELESS TECHNOLOGY/ 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. **Deposited cash and property:** You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.
 - 4.2. **Commission and other charges:** Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you

will be liable. These charges will affect your net profit (if any) or increase your loss.

4.3. For rights and obligations of the Members/Authorised Persons/ clients, please refer to Annexure 1.

4.4 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.

4.5 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.

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 / www.mcx-sx.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)/Demat Debit and Pledge Instruction (DDPI) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/ Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.

9. Don't share your Internet trading account's password with anyone.

10. Don't make any payment in cash to the stock broker.

11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of subbroker/ authorised person. Ensure that you have a documentary proof of your payment/ deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/ deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
 - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
 - d) You need to bring any dispute arising from the statement of account or settlement so made to the

notice of the stock broker in writing preferably within 7 (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.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. 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

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges

within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

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

POLICIES AND PROCEDURES PERTAINING TO DEALING WITH CLIENTS

A. Refusal of order(s) from the clients including for penny stocks

ICICI Securities Ltd (hereinafter referred as I-Sec) normally offer trading facility in most of the compulsory dematerialized stocks and which are listed of on the stock exchanges. The stocks offered by I-Sec are duly updated on www.icicidirect.com (hereinafter referred as website). Please note that some of the stocks/ commodities such as

- Penny stocks which is generally understood to be stocks quoted below 10/-. I-sec reserves the right to charge minimum brokerage on penny stocks
- scrips not traded in compulsorily dematerialized mode
- scrips which do not meet internal risk and surveillance criteria are not allowed by I-Sec for trading. Any ex-isting scrip enabled for trading may be deactivated by I-Sec as and when such scrips meet the criteria as defined by I-Sec even if the Client had bought such scrips through I-Sec thereby restricting the Client's ability to sell the scrip. Being a penny stock, is not a criteria for enabling / disabling, though the same may be considered. I-Sec cannot be held responsible for any losses, if any, arising due to deactivation of the scrip. Clients may contact our customer service helpline for enabling the specific stocks in which trading is not allowed by I-Sec. However, I-Sec may not enable all such stocks which are requested by the clients if the same are not meeting the internal criteria as defined by the Company from time to time. Further, I-Sec may also at any time, at its sole discretion and without prior notice to the client, prohibit or re-strict client's access to the use of the web-site or re-lated services or in any specific security and client's ability to trade.

B. Client Exposure Limits

From time to time I-Sec may impose and vary limits on the orders placed by client or orders to be placed by client, including client ad hoc margin , security ad hoc margin, exposure limits, turnover limits, limits as to numbers etc. I-Sec may demand additional margin in the form of cash, securities if there are requirement for margin top up. This additional margin would be in addition to the initial margin, which may be higher than margin prescribed by the Ex-change.

C. Squaring off / Closing client open positions and sell out of client securities/commodities without notice

I-Sec shall have the discretion to square off the open positions of client in following circumstances. Square off / close out the client open positions may happen at any of the exchanges and it can happen at either market price or limit price. I-Sec reserves the right to decide the limit price keeping in view of the size of the order and the depth of the market. Specific features of each and every product are updated on the Frequently Asked Questions and also in Terms and Conditions which is updated on the website of the Company. Clients are bound by such online terms and conditions and the FAQs posted on the website. The conditions related to squaring off/close out of the clients' open positions and also liquidation in Cash Equity, Equity Derivative, Commodity futures & option and Currency Derivative segments are broadly included as:

- 1 I-Sec offers/ may offer various intraday products in Equity, Equity derivative, Currency derivatives and Commodity futures & option segment. If the client does not square off his open positions before the EOS (end of settlement) time (as updated on our website) or the client does not convert the open positions to delivery or does not opt for client square off mode (in case of equity) or does not convert to Futures (in case of Future Plus), I-Sec would square off/close out the open positions. On the days of high market volatility, I-Sec reserves the right to change the EOS timings by either pre-poning or postponing the same. Further, whenever any stock/ or underlying contract breaches the internally prescribed percentage, I-Sec may square off the existing open positions without giving any prior notice to the customers since such squaring off is not dependent upon margin availability in Client's account.
- 2 I-Sec does not guarantee to square off the open positions of the clients, whenever there are margins shortages or the prices moved beyond the prescribed percentage. The clients are solely responsible for the trading decisions taken by them. In case of any debit balance, clients have to make good losses without demur, immediately. I-Sec has the right to block/pledge the shares of the client which are lying in his designated and linked demat account, sale of those stocks to recover its dues and debit funds from the designated and linked bank account or ledger.
- 3 For Equity, Commodity future & option and Currency derivatives contracts, the client has to maintain applicable minimum margin all the time i.e. till positions are open. I-Sec reserves the right to revise the margin requirements at any point of

time and if the client does not meet the margin requirements, I-Sec has the right to square off the open positions to the extent that the existing margin after deducting intraday MTM losses meets the revised Initial

Margin requirements of I-Sec for the remaining open positions. I-Sec at its sole discretion may or may not exercise the rights to square off the positions which are not meeting the margin requirements. Further, the client has been provided with tool on the website itself where he can ascertain details of his ex-isting margin blocked, margins required, MTM loss adjustment, margin percentage etc. The margin requirement derived by use of these tools will be construed as demand for the additional margin required by I-Sec. I-Sec may not inform specific (one to one) clients about the margin requirements/ margin top up calls/margin availability before the square off. Clients are bound to monitor and review their open positions and margin requirements all the times and furnish the additional margin to the Company.

- 4 In case of breach in scrip/commodity specific market wide position limit (MWPL) as specified by Exchanges, client will not be allowed to take fresh positions in that scrip but he can square off his existing positions. Square off may be initiated by I-Sec in case of derivatives / commodity future & option when the positions limits (client level, Trading Member level, market level) are breached.
- 5 All clients have to comply with the contract level margin re-quirements in Equity, commodity future & option and Currency derivatives segments. While squaring off client open positions, I-Sec does not consider the mark to market (MTM) profit on other contracts in portfolio of the clients. I-Sec has the discretion to charge margins at the group of contract level or at portfolio level. To understand the margin calculations and requirements, clients are required to refer on-line information which is updated in FAQs and in the Terms and Conditions.
- 6 While squaring off the open positions, the free limits available in only that specific segment, where client has taken position are considered. While squaring off the open positions, free unallocated bank or ledger or demat balances and the free limits avail-able in other segments are not considered as margin by I-Sec. However, I-Sec reserves the right to debit the free/ unallocated balances or block/sale of free/unallocated shares in case of debit balance in the clients account in any segment.
- 7 In case the intraday equity products are converted to delivery the client has to meet the pay in obligation within due date i.e. by T+2 day. I-Sec reserves the right to square off required

quantity in case the margin available on such pending delivery positions does not meet I-Sec's margin requirements as provided on the website. In case of intraday F&O/Currency derivatives products, the converted positions are treated at par with normal F&O/Currency derivatives positions.

D. Internal Shortages

As per Exchange Settlement Norms, Securities Pay in Obligations are netted at Member Level and only net obligation is to be either delivered to the Clearing Corporation or received from the Clearing Corporation. Within ICICI Securities it could be possible that within the Member's Clients, there could be positions of a client in the same scrip where counter party client is also of ICICI Securities, which then necessitates internal adjustment / netting. If the securities are not received on or before settlement date or due to any other reason whatsoever, Client/s are not able to deliver securities, the counter-party client may not receive shares on T+1 (Settlement Date). In that case there is an Internal Shortage within ICICI Securities, i.e., the Buyer and Seller are both ICICI Securities Clients and the Seller defaults in Securities Delivery due to which the Buyer may not receive the Shares.

Pursuant to Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024 effective from 11-Nov-2024, the securities payout shall be credited directly to the respective client's active demat account by the clearing corporation & Depositories (NSDL/CDSL) and for any security shortage (including internal shortage) it is mandatory for all brokers to use auction mechanism of clearing corporation.

The policy for settling internal shortages will be as prescribed by the clearing corporation from time to time. Clearing Corporation has prescribed that mandatory auction to be conducted in internal shortages in capital market segment, physical settlement of equity derivatives.

A In Case of Sell trade internal shortage:

- i. Internal shortages will be reported to Clearing corporation and auction shall be conducted
- ii. Settlement number wise Internal shortage for short delivery of securities occurred from any of the product i.e. Cash Sell, eATM, BTST, MTF sell/ BTST, SPOT sell etc. will be reported to Clearing Corporation on T+1 day.
- iii. Clearing Corporation will conduct the Auction of such trades and debit from the I-Sec's settlement account an amount equal to the valuation of the securities provided towards auction which in turn will be recovered from the sell shortage customers.

B. In case of Buy trade Internal shortage;

- i. Customers received shortage against the buy trade will be settled through clearing corporation prescribed process of mandatory auction process. In case of failure to deliver securities from Auction settlement, Clearing Corporation shall conduct financial close out as determined by them in accordance with the extant procedures.
- ii. The Auction debit and credit will be processed on Auction settlement date and / or till after one day of Auction Settlement date.
- iii. In case of Securities short delivered in Clearing Corporation (CC) pay-in obligation then CC will debit the Auction charges and the same will be pass on to sell short customer.

E. Restriction on further position and closeout of positions

Client shall be responsible for all his orders, including any orders, which exceed the available limits in his client Account. The client shall credit the required fund to his linked Bank Account with ICICI Bank or ledger promptly to ensure that the payment shall be received and processed on or prior to the settlement date or a date intimated by the I-Sec, whichever is earlier. If the payment is not received as afore-said, then I-Sec may square off the same without any prior intimation to the client. In the event of liquidation of the open positions, the client shall be liable for any resultant losses and all associated costs incurred by I-Sec. In addition to these clauses, the conditions specified above in mentioned point number c are also applicable.

The client understands that I-Sec at any point time and on its sole discretion and without prior notice to the client may prohibit or restrict client's access to the use of the web-site or related services or in any specific security and client's ability to trade.

F. Refusal to accept Client request for trades / transactions.

I-Sec is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any scrip / commodity if transaction in such scrip / commodity is not in accordance with its internal surveillance / risk management policy and/or in accordance with the directives and guidelines of the Exchanges and/or the Regulator issued from time to time. I-Sec may at its sole discretion decline to carry out the instructions for any reason whatsoever.

G. Penalty and other charges

The client shall be liable to pay interest on late payment @ 0.065% per day at such rate (or other rate as may be decided from time to time by ICICI Securities Ltd.) on all late payment beyond the due date (i.e. pay-in-date) by the client to ICICI Securities Ltd.

H. Suspension / Closure of Trading Account

ICICI Securities may close/suspend the trading account of client pursuant to SEBI directive or for any reason whatsoever, after giving notice as per the requirements to the client of the same. Such notice may also be posted on our website.

Notwithstanding any such closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the closure of account shall continue to subsist and vest in /be binding on the client or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be. Client can initiate suspend/closure of his account by giving 30 days written notice duly acknowledged by I-Sec. Any change in policy would be updated on our website.

I. De registering of client

I-Sec may in its own discretion de register the client. The terms and conditions as specified in the client member Agreements/account opening documents would be applicable.

J. Inactive accounts

A trading account in which no transaction has been executed across any segment of any Exchange for any product for a period of 12 months would be termed as "Inactive" or "Dormant" trading account.

Such inactive account shall be temporary deactivated for transaction in all segments and exchanges and will not be allowed to trade further till client confirms / update KYC information including bank and DP account details while re-activation within a period of one year from being flagged as inactive. If the client doesn't reactivate within a period of one year from being flagged as inactive nor undertake any financial transactions like IPO/Mutual funds, then the trading account would be reactivated only after updation of KYC, due diligence and IPV.

ISec settles client's funds and securities as per exchange settlement cycle unless client has consented for running account settlement wherein the trading account would be settled on monthly/quarterly basis as per the preference of the client and as stipulated by SEBI/Exchanges from time to time. Further client is required to update their demat & bank account details to I-Sec at all point of time to enable I-Sec to release the funds & securities of the client.

I have read and understood the above policies.

K. Voluntary freezing/blocking the online access of the trading account to clients

As per the framework defined by SEBI vide its circular number SEBI/HQ/MIRSD/POD- 1/P/CIR/2024/4 dated January 12, 2024 and guidelines issued by the Stock Exchanges for providing a facility of voluntary freezing/blocking online access of the trading accounts by the Trading members to their clients, the Company has provided a facility to its customers to request for voluntary freezing/blocking of the online access of the trading account through permissible modes of communication. On successful due diligence carried out by the Company and after cancellation of pending orders, online access to trading account shall be blocked within regulatory specified timelines. Further, a facility to unfreeze/unblock is also provided to customers. Detailed process is as below:

1. Voluntary freezing/ blocking the online access of the trading account:

- i. I-Sec client may request for voluntary freezing/ blocking the online access of trading account through below modes if any suspicious activity is observed:

a. Call on dedicated I-Sec telephone number i.e. 040-33751200

- i. The clients are required to call on the above dedicated telephone number from mobile number registered with I-Sec. If registered number is not accessible to the client, he/she may place request for blocking through I-Sec website.
- ii. Client will be informed about pending orders in all the segments in order book which the client is required to cancel before placing a blocking request.
- iii. Post confirmation of cancellation of pending orders, I-Sec will block the online access of trading account within 15 minutes from receipt of blocking request.

b. Requesting through I-Sec website:

- i. Client is required to login into I-Sec trading account and navigate to the option under Setting > My Account > Block My Account.
- ii. If client has any pending orders in the order book, client will be prompted through a pop-up that blocking request can be accepted once all pending orders are cancelled.
- iii. Post successful cancellation of pending orders by client, I-Sec will block the online access of trading account within 15 minutes from receipt of blocking request.

Blocking request will not be accepted on any other mode unless communicated to the client. I-Sec will send an acknowledgement on registered mobile number and registered email id for blocking of online access of trading account, cancellation of pending orders, if any, and process of unblocking of online access of trading account, within 15 minutes from the request received for freezing/blocking of the trading account. Further, client will also receive details of open positions on the registered email id within one hour from the freezing/blocking of the trading account, if any.

2. Unfreezing/ unblocking the online access of the trading account:

- i. I-Sec client whose online access of trading account is blocked, may request for unfreezing/ unblocking the online access of trading account through below modes:

a. Call on dedicated I-Sec telephone number i.e. 040-33751200

- i. The client is required to call on the dedicated telephone number from the mobile number registered with I-Sec.
- ii. If registered number is not accessible to the client, client will need to visit the nearest I-Sec branch.
- iii. Once authentication of the client is completed, online access to the trading account will be restored.

b. Visit the nearest I-Sec branch office and submit physical form.

- i. Client is required to visit the nearest I-Sec branch for unfreezing/ unblocking the online access of the trading account and fill a physical form which is available on I-Sec website and submit the same at I-Sec branch.
- ii. Once the in-person verification is completed, the request for unfreezing/unblocking will be registered.

The client may reset the password and access the trading account online once the online access is restored.

Good till Triggered (henceforth referred to as 'GTT') is the trigger-based order placement feature which allows you to place buy or sell orders in stocks of your choice at your specified price. These orders will remain active until the trigger condition is met or the GTT request is cancelled / expired. The maximum validity date for which the GTT trigger will be valid is 365 days, after which it will get expired.

You can set a trigger price and a limit price for a GTT request. When the last traded price (LTP) breaches the specified trigger price, limit order will be placed with the exchange at the specified quantity and limit price. The GTT request placed by you will be with ICICI Securities Limited (henceforth referred to as 'I-Sec') in GTT Order Book and limit order will be sent to exchange only when the trigger condition is met.

Features of GTT

1. Unlike normal Delivery orders, GTT orders are valid for 365 days
2. You can place Stoploss and Target order simultaneously against a stock. When either side of the order is triggered, the other side is automatically cancelled by the system. At a particular point of time, you can have maximum of 300 GTT orders (Active + Inactive). This limit of 'maximum number of GTT orders at any point of time', can be revised by I-Sec at its sole discretion after duly communicating to the clients.

Cancellation of GTT orders

Orders may be cancelled as per the GTT order parameters; in the below mentioned conditions:

1. GTT order will be automatically cancelled after 365 days from placing such order in case it is not triggered as per the Trigger Conditions. This limit of 'maximum number of days for which GTT order is valid', can be revised by I-Sec at its sole discretion after duly communicating to the clients.
2. In case there is change in exchange security series, market lot or any corporate action, such as; splits, bonuses, dividends of extraordinary nature (above 5% of market price), merger, reverse mergers, amalgamations, takeover, delisting, rights issue, etc. where there is significant impact/change in the stock price, the GTT order will be cancelled at the sole discretion of I-Sec, 2 days prior to the Ex-date of such corporate action effect taking place on the stock price.
3. I-Sec shall decide upon securities in which the Clients would be permitted to place GTT orders and the same would be subject to change by I-Sec from time to time. I-Sec may also at its sole discretion decide to withdraw any particular security for

GTT facility without assigning any reasons whatsoever leading to cancellation of pending GTT orders.

Whenever a GTT order is cancelled due to any of the above scenarios, a corresponding mail will be sent to the customers informing them about the same. The mail will include the details of the order being cancelled and the reason for the cancellation.

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 BSE - www.bseindia.com, NSE- www.nseindia.com and SEBI website www.sebi.gov.in, MCX- www.mcxindia.com
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) / Demat Debit and Pledge Instruction (DDPI) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/ Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for

ECN if you are not familiar with computers.

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

securities and the details of the pledged shares, if any.

c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.

d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (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.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.

15. 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

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock

exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

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

Investor Charter – Stock Brokers

VISION

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

MISSION

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

Services provided to Investors

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

Rights of Investors

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

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

Various activities of Stock Brokers with timelines

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

DOs and DON'Ts for Investors

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

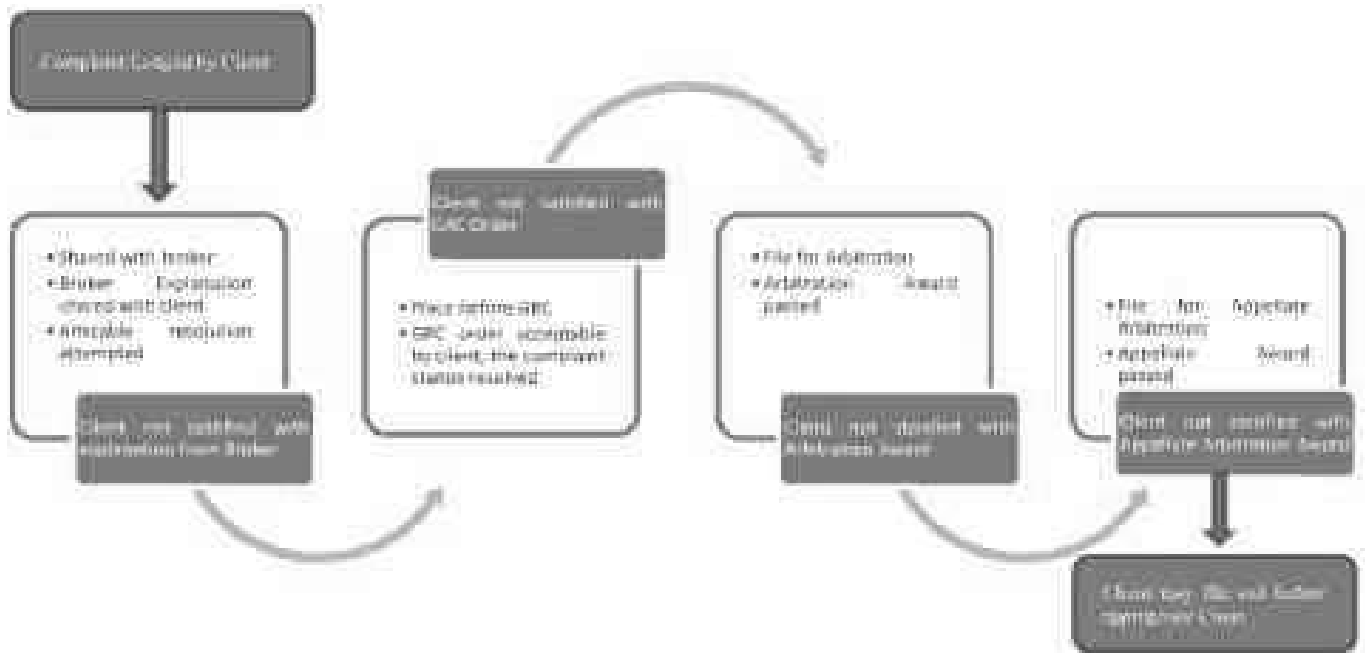
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|---|--|
| <ol style="list-style-type: none"> 4. Receive all information about brokerage, fees and other charges levied. 5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.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

Grievance Redressal Mechanism

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

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

Complaints Resolution Process at Stock Exchange explained graphically;



Timelines for complaint resolution process at Stock Exchanges against stock brokers

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

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

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

Default of TM/CM

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

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

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

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

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

December 15, 2021

PUBLISHING INVESTOR CHARTER AND DISCLOSURE OF INVESTOR COMPLAINTS BY STOCK BROKERS ON THEIR WEBSITES

Your attention is invited to the Annexure A in the SEBI circular, wherein the complaints resolution process at Stock Exchange is explained graphically. The said part is to be read as "if the client is not satisfied with the GRC order, he may File for Arbitration (**Not Appellate Arbitration as mentioned in the circular**) and Arbitration award passed (**Not Appellate Award passed as mentioned in the circular**) and if the client is not satisfied with Arbitration award, he may file for Appellate Arbitration.

[illegible]

The provisions of this circular shall come into effect from January 01, 2022.



All Members and their constituents are requested to take note of the same.

Rashmi Nihalani
Vice President
ISD & IPF

Encl: As above

For any clarification, kindly contact customer support on 022 – 6649 4040 or send an email at customersupport@mcxindia.com.

-----Corporate office-----
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