

NSE BSE MCX-SX

DOCKET - 1

Mandatory Documents

CHONDA

DOCKET - 1 [MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES]

S. No.	Name of the Document	Significance	Page No.
1.	Account Opening Form	A. KYC form - Document captures the basic information about the constituent .	A 1 – A 2
		B. Instructions/check list for filling KYC form	A 3 – A 4
		C. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	B 1 – B 3
2.	Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	C 1 – C 6
3.	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	D 1 – D 4
4.	Guidance note	Document detailing do's and don'ts for trading on exchange,for the education of the investors.	E 1 – E 2
5.	Policies and Procedures	Document describing significant policies and procedures of the stock broker .	F 1 – F 2
6.	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s).	G 1

DOCKET - 2 [VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER]

7.	Operating Guidelines, Terms and Conditions [Given to Client]	Other Terms & Conditions	M 1 – M 5
8.	Running Account Maintenance Instruction	Account Operation Standing Instruction	O 1
9.	Transfer of Demat purchase to margin account	Deliveries Standing Instructions	O 1
10.	Authorisation for dealing with the Trading Member	List of Authorised Persons	P 1
11.	Digitally Certified Electronic Documents	Consent for receiving ECN & e-documents	Q 1
12.	Registration for SMS alerts	SMS alerts from Trading Member	S 1

***** A set of Documents containing Item Nos. 1B,2,3,4 and 5 have been delivered to the client**

Name of stock broker/trading member/clearing member: **Chona Financial Services Limited**

NSE | SEBI Regn.No : INB 230754330, INF 230754330, INP000001199 NSE Code No. 07543 | Self Clearing Member ID: M50445
 BSE | SEBI Regn.No : INB 010754332 | INF010754332 | Clearing Member INF010754332 Member ID : 6210
 MCX-SX | SEBI Regn.No.: INE260754330 | Clearing Member: IL&FS | SEBI Regn. No.: INE231308334 | Code No.:10300

Registered Office Address: No.46, Prakasam Street, T.Nagar, Chennai - 600017
 Ph: 044 - 42042222 Fax: 044 - 28342195 Website: www.chona.com
 Correspondence Office Address: No. 44, Prakassam Street, T. Nagar, Chennai - 600017
 Ph: 044 - 42042222 Fax: 044 - 28342195 Website: www.chona.com

Compliance officer name, phone no. & email id: V. Palaniappan - NSE, MCX-SX , 044 - 42042222, invcomp@chona.in
 Compliance officer name, phone no. & email id: M.Muruganandam - BSE , 044 - 42042222, invcomp@chona.in

CEO name, phone no. & email id: EMC. Palaniappan, 044 - 42042222, pal@chona.com

For any grievance/dispute please contact stock broker Chona Financial Services Limited at the above address or email id: invcomp@chona.in and Phone no. 91-44 42042222. In case not satisfied with the response, please contact the concerned exchange(s) ignse@nse.co.in, iscchennai@bseindia.com, sebisro@sebi.gov.in, investorcomplaints@mcx-sx.com

KNOW YOUR CLIENT (KYC) APPLICATION FORM FOR INDIVIDUALS

MANDATORY

Please fill this form in ENGLISH and in BLOCK LETTERS.

please affix
your recent
passport size
photograph
and sign
across it

A. IDENTITY DETAILS

1. Name of the Applicant: _____
2. Father's/ Spouse Name: _____
3. a. Gender: Male/ Female b. Marital status: Single/ Married c. Date of Birth: _____ (dd/mm/yyyy)
4. a. Nationality: _____ b. Status: Resident Individual/ Non Resident/ Foreign National
5. a. PAN: _____ b. Unique Identification Number (UID)/ Aadhaar, if any: _____
6. Specify the proof of Identity submitted: _____

B. ADDRESS DETAILS

1. Address for correspondence: _____
City/town/village: _____ Pin Code: _____ State: _____ Country: _____
2. Contact Details: Tel. (Off.) _____ Tel. (Res.) _____ Mobile No.: _____
Fax: _____ Email id: _____
3. Specify the proof of address submitted for correspondence address: _____
4. Permanent Address (if different from above or overseas address, mandatory for Non-Resident Applicant): _____
_____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
5. Specify the proof of address submitted for permanent address: _____

C. OTHER DETAILS

1. Gross Annual Income Details (please specify): Income Range per annum: Below Rs 1 Lac / 1-5 Lac / 5-10 Lac / 10-25 Lac / >25 Lacs
or
Net-worth as on (date)..... (-----) (Net worth should not be older than 1 year)
2. Occupation (please tick any one and give brief details): Private Sector/ Public Sector/ Government Service/Business/ Professional/
Agriculturist/ Retired/ Housewife/ Student/ Others _____
3. Please tick, if applicable: Politically Exposed Person (PEP)/ Related to a Politically Exposed Person (PEP)
4. Any other information: _____

DECLARATION

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



Signature of the Applicant _____

Date: _____ (dd/mm/yyyy)

FOR OFFICE USE ONLY

- (Originals verified) True copies of documents received
 (Self-Attested) Self Certified Document copies received

(.....)
Signature of the Authorised Signatory

Date

Seal/Stamp of the intermediary

KNOW YOUR CLIENT (KYC) APPLICATION FORM FOR Non-INDIVIDUALS

MANDATORY

Please fill this form in ENGLISH and in BLOCK LETTERS.

please affix your recent passport size photograph and sign across it

A. IDENTITY DETAILS

- 1. Name of the Applicant: _____
- 2. Date of incorporation: _____ (dd/mm/yyyy) & Place of incorporation: _____
- 3. Date of commencement of business: _____ (dd/mm/yyyy)
- 4. a. PAN: _____ b. Registration No. (e.g. CIN): _____
- 5. Status (please tick any one): Private Limited Co./Public Ltd. Co./Body Corporate/Partnership/Trust/Charities/NGO's/FII/ FII/HUF/AOP/ Bank/Government Body/Non-Government Organization/Defense Establishment/BOI/Society/LLP/ Others (please specify) _____

B. ADDRESS DETAILS

- 1. Address for correspondence: _____
City/town/village: _____ Pin Code: _____ State: _____ Country: _____
- 2. Contact Details: Tel. (Off.) _____ Tel. (Res.) _____ Mobile No.: _____
Fax: _____ Email id: _____
- 3. Specify the proof of address submitted for correspondence address: _____
- 4. Registered Address (if different from above): _____
_____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
- 5. Specify the proof of address submitted for registered address: _____

C. OTHER DETAILS

- 1. Gross Annual Income Details (please specify): Income Range per annum: Below Rs 1 Lac / 1-5 Lac /5-10 Lac / 10-25 Lac / 25 Lacs-1 crore/ > 1 crore
- 2. Net-worth as on (date) (dd/mm/yyyy): _____ (*Net worth should not be older than 1 year)
- 3. Name, PAN, residential address and photographs of Promoters/Partners/Karta/Trustees and whole time directors: _____
- 4. DIN/UID of Promoters/Partners/Karta and whole time directors: _____
- 5. Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors: Politically Exposed Person (PEP)/ Related to a Politically Exposed Person (PEP)
- 6. Any other information: _____

DECLARATION

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



Name & Signature of the Authorised Signatory

Date: _____ (dd/mm/yyyy)

FOR OFFICE USE ONLY

(Originals verified) True copies of documents received

(Self-Attested) Self Certified Document copies received

(.....)
Signature of the Authorised Signatory

Date

Seal/Stamp of the intermediary

A. BANK ACCOUNT(S) DETAILS

Bank Name	Branch Address & Telephone No.	Bank A/c No.	A/c Type SB/CA Others incase of NRI/NRE/NRO	MICR No.	IFSC code
*					

(Cancelled cheque leaf & Attested Copy of pass book/statement-containing name of constituent to be submitted). * Primary Account

B. DEPOSITORY ACCOUNT (S) DETAILS

Depository Participant Name *	Depository Name (NSDL/CDSL)	Beneficiary name	DP ID	Beneficiary ID (BO ID)

(Attested Copy of latest DP statement showing name of constituent to be submitted). * Primary Account

C. TRADING PREFERENCE

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

Exchanges	Segments	Confirming Signature
NSE	Capital Market (Equity)	
	Futures and Options (Derivatives)	
	Currency Derivatives	
	Interest Rate Futures	
MCX-SX	Currency Derivatives	
BSE	Capital Market (Equity)	
	Futures and Options (Derivatives)	

* if in future the client wants to trade on any new segment/new exchange separate authorisation/letter should be taken from the client by the stock broker

D. PAST ACTIONS

- Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its Partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years:

E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS

- If client is dealing through the sub-broker, provide the following details:
Sub-broker's Name: SEBI Registration number:
Registered office address: Ph: Fax: Website:
- Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock brokers/sub-brokers, provide details of all)
Name of stock broker:.....Name of Sub-Broker, if any:.....
Client Code:Exchange:
Details of disputes/dues pending from/to such stock broker/sub- broker:

F. ADDITIONAL DETAILS

- Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify):
Specify your Email id, if applicable:
- Whether you wish to avail of the facility of internet trading/ wireless technology (please specify):

- Number of years of Investment/Trading Experience:.....
- In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others:
.....
- Any other information:

G. INTRODUCER DETAILS (optional)

Name of the Introducer:
(Surname) (Name) (Middle Name)

Status of the Introducer: Sub-broker/Remisier/Authorized Person/Existing Client/Others, please specify.....

Address and phone no. of the Introducer: Signature of the Introducer:

H. NOMINATION DETAILS (for individuals only)

I/We wish to nominate I/We do not wish to nominate

Name of the Nominee: Relationship with the Nominee:

PAN of Nominee: Date of Birth of Nominee:

Address and phone no. of the Nominee:

If Nominee is a minor, details of guardian:

Name of guardian: Address and phone no. of Guardian:

Signature of guardian

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

Name ----- Name -----

Signature ----- Signature -----

Address ----- Address -----

DECLARATION

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

I/we confirm that a set of the following documents has been delivered to me/us for my/our use :

1. Document captures the additional information about the constituent relevant to trading account and an instruction/check list. B 1 – B 3 [MANDATORY]
2. Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading). C 1 - C 6 [MANDATORY]
3. Document detailing risks associated with dealing in the securities market.(RDD) D 1 -D 4 [MANDATORY]
4. Document detailing do's and don'ts for trading on exchange, for the education of the investors. E 1 - E 2 [MANDATORY]
5. Document describing significant policies and procedures of the stock broker . F 1 - F 2 [MANDATORY]
6. Operating Guidelines, Terms and Conditions M 1 - M 5 [VOLUNTARY]

Place

Date

Signature of client (all) authorised signatory (ies)



FOR OFFICE USE ONLY

UCC Code allotted to the Client: _____

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

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

.....

Signature of the Authorised Signatory

Date

Seal/Stamp of the Stock Broker

INSTRUCTIONS/ CHECK LIST

1. Additional documents in case of trading in derivatives segments - illustrative list:

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

*In respect of other clients, documents as per risk management policy of the stock broker need to be provided by the client from time to time.

2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.
3. Demat master or recent holding statement issued by DP bearing name of the client.
4. For individuals:
 - a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.
 - b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.
5. For non-individuals:
 - a. Form need to be initialized by all the authorized signatories.
 - b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.

Capital Market

		Square-Off Trades		Delivery Trades	
Exchange	Segment	% on each side	Minimum	% on each side	Minimum
NSE	Capital Market				
BSE	Capital Market				

F&O /Currency Derivatives

Exchange	Segment	% on each side	Minimum
NSE	Futures		
NSE	Options		
NSE	Currency		
MCX-SX	Currency		
BSE	Futures		
BSE	Options		

* Transaction Charges, Service Tax, STT, Stamp Duty, Other Govt. Levies are extra.
One Time Account Opening Charges Rs. 200/-

Date

Client Signature (with seal if required)



DOCKET - 2

DOCKET - 2

Voluntary Documents

[A] PLACEMENT OF ORDERS

The Client herein confirms that he or his authorised representative will be placing orders by phone, fax, e-mail or in person and not necessarily in writing and will honour his commitments in completing the transactions executed on his behalf by the Member. However, fax /e-mail communication should originate only from the pre-designated (in the Client Registration Form itself or in writing at a later date) fax number / e-mail address / phone number and should be verifiable. Otherwise, the Member may execute or reject the orders without prejudice, and the Client shall be responsible for the obligations for trades executed. All risk due to data corruption/mis-reading & clarity related problems / e-fraud / hacking/ misrepresentation/identity fraud / etc. shall lie only with the Client since this is a service offered by CHONA for the convenience of the Client without additional cost. Those clients who are provided the facility to place orders over the internet shall themselves input the orders and shall be responsible to complete the transactions executed by them.

[B] TRADE CONFIRMATIONS

Clients can call and get trade confirmations over phone one hour after close of trading until close of office. Fax confirmations are sent daily to local Clients if instructed. Email confirmation is sent daily if instructed. On-line, real-time confirmation in person & over phone is available throughout the trading hours. CHONA shall send the trade confirmation to the Client within 24 hours of the execution of the Client's transaction, in the form of contract note (physical or digitally certified) or otherwise via mail, e-mail, fax, courier, oral communication or otherwise at the postal address, telephone / fax number, e-mail address intimated by the Client to CHONA. The Client understands that it is his/her/its responsibility to review the trade confirmation upon its first receipt. All information contained therein shall be binding upon the Client, if the Client does not object in writing within twenty four hours of such confirmation. In all cases, CHONA reserves the right to determine the validity of the Client's objection to the transaction. The Client agrees that CHONA will not be responsible for the non-receipt of the trade confirmation due to any change in the correspondence address/email address/telephone or fax numbers, etc. of the Client not intimated to CHONA or due to external breakdown in the regular or normal mode of confirmation.

[C] CONTRACTS, ACCOUNT STATEMENTS, DOCUMENTS, ETC.

Upon acceptance by the Client indicated by signing these terms and conditions, CHONA may in its discretion send any document that is obligatory to be sent to the Client including contracts, account statements, bills, confirmation of balance statements, documents, letters, delivery memos, other papers, etc. (all or any of the afore-mentioned at CHONA's discretion) in electronic form by means of an Electronic communication duly authenticated by digital signature of the authorised signatory, with the possible

exception of graphic insertions such as photographs or logotypes. This electronic communication may be in the form of an e-mail, an e-mail attachment or in the form of download available on the Website. Every document so sent shall contain all such information as is mandated by the concerned statutory and/or regulatory authority. CHONA would be deemed to have fulfilled its legal obligation to deliver a document to the Client, if it is sent by the electronic mode. The Client shall download the said document(s) regularly and also promptly at least once every twenty-four hours or sooner as necessary, to ensure that he receives the documents in time. Provided that on a request being made by the Client, due to a difficulty experienced by the client in viewing the same, CHONA may in its discretion make the required delivery by such other means, as it may deem appropriate.

There is no arrangement or requirement for the Client to acknowledge receipt of the documents sent electronically in the above manner. The document shall be deemed to have been duly delivered and its content accepted by the Client if no intimation is received from the Client (or from the email service provider of bounced mail) by CHONA within twenty-four hours from the time of sending the document. The Client is informed that CHONA shall not be liable for any inaccuracy, error, omission in or delay in the transmission or delivery of the document(s) and that all of the above shall be subject to delay in sending or receiving due to any electronic, electrical, network, internet, software, hardware or technological breakdown or any force majeure condition and CHONA shall not be liable in such cases for any delay or failure due to such conditions, circumstances, acts, errors or omissions.

The Client shall provide his email id created by himself only. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the log-in name and password for his email account. The Client shall immediately inform CHONA about change in email address if any. CHONA may at its discretion verify and confirm with the Client about the change in email address in writing prior to sending documents to the new email address.

Neither CHONA nor any other party disseminating any data/message/information on behalf of CHONA through the Website/Internet/Email shall be liable for any inaccuracy, error, omission in or delay in the transmission or delivery of any such data, information or message, or any loss or damage arising from or occasioned by any such inaccuracy, error, delay or omission, non-performance, or interruption in any such data, information or message, due either to any act or omission by CHONA or any disseminating party or to any "force majeure" (e.g., flood, extraordinary weather condition, earthquake or other act of God, fire, war, insurrection, riot, labour dispute, accident, action by government, communications, power failure, internet downtime, equipment or software malfunction or any other cause beyond the reasonable control of CHONA or any disseminating party).

[D] ACKNOWLEDGMENTS

The Client or his authorised representative must compulsorily acknowledge receipt of all papers, deliveries, funds, accounts, etc. submitted/mailed/ delivered to him in the form and manner of acknowledgment prescribed by CHONA without any condition or demur within the guidelines provided herein and shall have no right to refuse to provide acknowledgment. The Client must also take acknowledgment on all papers/deliveries/funds, etc., submitted to CHONA from the properly authorised persons only after ascertaining their authority.

[E] CAUTION

The Client is hereby cautioned and he also hereby confirms that he has understood the following :

1. CHONA has not authorised any person/agent/representative/franchisee/dealer/sub-broker/authorised person/broker/or any other entity on its behalf, to undertake any Portfolio Management Schemes or any such schemes for assured/unassured returns or otherwise, in whatsoever manner. CHONA undertakes Portfolio Management Services with SEBI Registration number : INP000001199 and will undertake Portfolio Management Services for clients only after entering into a separate written agreement with each Client specific to Portfolio Management.
2. CHONA does not accept cash payments at any of its offices. Clients who hand over cash (strictly prohibited) to associates/employees of CHONA at the Head Office or any of the branches/offices do so solely at their own risk and without any liability to CHONA. Clients must make payments only in the form of A/c Payee Crossed Cheques/Pay Orders/Cashier Cheques/Demand Drafts issued in favour of "Chona Financial Services Limited" or funds transfer to CHONA's Client Money bank account. The cheques/funds transfers should be issued by the client only from the pre-specified bank account of the client already intimated to CHONA. Should the client issue cheques/DDs in favour of any other name or any abbreviated name of the Company, or issue cheques/DDs which are not crossed Account Payee, CHONA shall not be responsible/accountable/liable for the same, should the same be misused by anyone including CHONA's employee/associate/sub-broker.

However, only in rare and exceptional cases, and at the risk of the Client only, without any liability to CHONA, within the limit of the provisions of the Income Tax Act, cash may be accepted by CHONA that too at CHONA's discretion only, without any obligation to issue cash receipts in such cases. Only, the Account Statement shall reflect such credit to the client. For the specific information of all clients, only the Managing Director Mr.EMC Palaniappan or another Director Mrs.Parvathi Palaniappan of CHONA are authorised to issue cash receipts for any and all purposes on behalf of CHONA. No other director/employee/representative/associate of CHONA in any capacity is authorised to issue cash receipts and any cash receipts issued by any such person/entity shall be treated as invalid and not binding on CHONA.

3. CHONA does not accept interest bearing deposits or any other deposits from public and is prohibited by SEBI and its own Memorandum and Articles of Association from doing so. CHONA has not authorised any person/agent/representative/franchisee/dealer/sub-broker/broker/authorised person/ or any other entity to accept deposits for interest or any other assured/ unassured/assumed/unassumed return whatsoever on its behalf. CHONA accepts only security deposits/ margin deposits from Clients for the purpose of providing share and derivatives trading exposure limits as per the rules and regulations of Exchange/Regulator. These security/margin deposits carry no interest or assured returns and CHONA shall not pay any interest or assured returns at any point in time.
4. The Client shall not deal with any person or party who claims to represent CHONA as its agent/representative/franchisee/dealer/sub-broker/authorised person or any other entity on its behalf, without first verifying and obtaining such verification in writing from CHONA's head office. CHONA shall not be held responsible otherwise.
5. CHONA does not induce Clients to trade (buy or sell shares or derivatives) directly or through intermediaries.
6. All of CHONA's offices/branches display CHONA's Disclaimer, SEBI registration certificates, and the Exchange specified signboard showing the address and contact persons at the Head office and the name of the branch manager/sub-broker as well as the address of the branch. Clients are advised to please read the signboards before commencing business at the office and contact the Head office in case of any doubts prior to commencing business.

[F] FUNDS

1. Please pay to CHONA, so that funds are credited into CHONA's Client Bank account in CHONA's relevant Exchange clearing bank, 24 hours prior (or 48 hours prior in case of other Client bank accounts of CHONA) to Exchange Pay-in schedule for the relevant trading day. To ensure uninterrupted continuation of trading limits/exposure, please pay your funds obligation to CHONA before start of trading the next day.
2. CHONA will normally pay funds to Clients within 24 hours after Exchange Pay-out for the relevant trading day unless instructions are given by the Client otherwise.
3. Pay-in of funds to CHONA shall normally be preponed and Pay-out of funds to Clients shall normally be postponed proportionately in case of any bank holidays/strikes/festivals, etc. in the intervening period.
4. Penal Interest will be charged at 0.1% per day compounded each day by CHONA for all outstandings including account balance, margins, security deposit, charges and dues, etc.

[G] DELIVERIES

1. The Client is aware that only dematerialised securities held and owned in the Client's name (or joint name) shall be traded through CHONA. No shares shall be acceptable in physical form for delivery. In case of Clients wishing to take delivery of shares and give delivery of shares, they must

- open a Client account with a depository participant (DP) of their choice before beginning to trade (or at least immediately thereafter), and provide the DP account number to CHONA. Purchases will normally be delivered by CHONA only to the pre-designated DP account in the Client's own name. Any change in Client's own DP account will have to be submitted by the Client in writing at least 48 hours prior to seeking transfer to the new DP account. Thereafter all transfers will be made to the new DP account only. The old DP account will be treated as inactive. Deliveries should be given by the Client from his pre-designated DP account in his own name and not from any other DP account. Should any delivery be given from any other DP account, (which DP account also should be in the Client's own name or joint name), it shall be the responsibility of the Client to ensure that the information is provided in writing much in advance to CHONA, and acknowledgment as well as credit obtained for the same from CHONA.
2. Clients should deliver the shares sold by them into CHONA's DP pool account at least 24 hours prior to the Pay-in to Exchange/Clearing Corporation for the relevant settlement. In case the Client fails to deliver the shares sold or delivers short, this will result in shares being bought in auction by the Exchange, failing which Exchange/Clearing Corporation will intimate the squaring-up rate which will be debited to the Client. In case the delivery is Client-to-Client within CHONA's Clients, CHONA will close out the position at 10% higher than the closing rate on the day of Exchange auction for the relevant trading day or at the rate/percentage/formula determined by the Exchange from time to time. CHONA will debit the defaulting Client at this rate and credit the buying Client for the same amount. In case of short/no delivery by Client, Exchange penalty charges and other costs will be levied at actuals.
 3. If shares are bought in one settlement and sold in the subsequent settlement(s) even before receiving the delivery of the shares into the Client's demat account, the Client has to face the risk of not being able to redeliver the shares in case of short/non-delivery of the shares in the previous settlement(s) and must bear the consequences of auction/close-out.
 4. Client purchases, unless instructed otherwise, will normally be delivered to the pre-designated DP account of the Client within one day after pay-out from Exchange/Clearing Corporation unless there is short delivery / no delivery from Exchange/Clearing Corporation or another Client of CHONA, and in such case of short/no delivery from Exchange/ Clearing Corporation, it will be covered in auction and delivered subsequently, failing which squaring-up rate will be given by Exchange/Clearing Corporation which will be credited to the Client. In case of short/no delivery from another Client of CHONA, CHONA will at its discretion, close out the position at 10% higher than the closing rate on the day of Exchange/Clearing Corporation auction for the relevant trading day or at the rate/percentage/formula determined by Exchange/Clearing Corporation from time to time and will credit the buying Client.
 5. If there is debit in the Client's trading account on account of trading/margins/security deposits/other debits the demat deliveries will be moved to a "debit hold" beneficiary DP account of CHONA till the debit is cleared and information is given to CHONA that the debit is cleared and request is given to transfer the shares to the Client's demat account in writing. All charges relating to transfer and holding in the debit/hold beneficiary DP account of CHONA will be debited to the Client.
- [H] TRADING LIMITS / MARGINS**
1. The Client shall bear all risks in trading / investment. In the Cash/Capital market, the Client shall take care that the gross exposure limit (sum of open bought and open sold positions in each scrip) of 10 times the margin deposited with CHONA is not exceeded at any point in time. CHONA may at their discretion vary the margin requirements at anytime with or without notice to the Client. Mark-to-market losses will also be deducted from the margin deposited before calculating the gross exposure limit. The margin deposit/security deposit shall carry no interest and will be refunded on termination of trading agreement/closing of trading account or at the request of the Client when there is no position open requiring margins. Any shortfall in margins must be paid before the beginning of the next trading day. Margins are acceptable only in funds unless preapproved by CHONA at CHONA's discretion whence margins in the form of specified demat scrips/securities (with haircut) may be acceptable to the extent/time deemed fit by CHONA. All charges relating to transfer and holding in the Margin DP account of CHONA will be debited to the Client.
 2. CHONA may insist that the Client deposit interest-free margin of 10 per cent (or as determined by CHONA) on the price of the securities proposed to be purchased, unless the Client already has an equivalent credit with CHONA. CHONA may insist the Client to deposit interest – free margin of 10% (or as determined by CHONA) of the price of securities proposed to be sold, unless CHONA has received the securities to be sold or proof of transfer request to the DP, to CHONA's satisfaction prior to such sale.
 3. Where the payment by the Client towards the margin is made through a cheque issued in favour of CHONA, any trade(s) would be executed by CHONA only upon the realisation of the funds of the said cheque or at the discretion of CHONA.
 4. The Client agrees and authorises CHONA to determine the market value of securities placed as Margin. The Client undertakes to monitor the market value of such securities on a continuous basis. The Client further undertakes to replenish any shortfall in the value of the Margin consequent to a fall in the market value of such securities placed as Margin immediately whether or not CHONA intimates such shortfall. The value of the securities placed as margin shall be subject to the haircut prescribed by the Exchange at a minimum.
 5. CHONA may at its sole discretion prescribe/amend the payment of Margin in the form of cash instead of securities at any time it deems fit. The Client accepts to comply with CHONA's requirement of payment of Margin in the form of

cash immediately failing which CHONA may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin or square off all or some of the positions of the Client as it deems fit in its discretion without further reference to the Client and any resultant or associated loss that may occur due to such square off/sale shall be borne by the Client, and CHONA is hereby fully indemnified and held harmless by the Client in this behalf.

6. The Client is responsible for all orders, including any orders that may be executed without the required Margin in the Client's account. If the Client's order is executed despite a short fall in the available Margin, the Client shall, whether or not CHONA intimates such shortfall in Margin to the Client, instantaneously make up the shortfall either through delivery of shares in the event of a sale or credit the required funds in the bank account via RTGS, NEFT, wire or personal cheque, cashier's cheque, demand draft or account transfer or any other approved mode as per the immediacy of requirement as indicated by CHONA.
7. The Client's positions are valued at the latest market price available ('mark to market') on a continuous basis by CHONA. If on such mark to market valuation, the loss incurred by the Client is more than the Margin available with CHONA, the Client shall instantaneously pay additional Margin.
8. If payments/securities towards the Margin or shortfall in Margin is not received instantaneously to enable restoration of sufficient Margin in the Client's account, all or some of the positions of the Client may be squared off or the securities placed as Margin by the Client may be sold off by CHONA at its sole discretion, without any further reference to the Client and without prior notification, and any resultant or associated losses that may occur due to such squaring off or sale of securities shall be borne by the Client, and CHONA is hereby fully indemnified and held harmless by the Client in this behalf.
9. Any reference in these terms to sale or transfer of securities by CHONA shall be deemed to include sale of the securities which form part of the Margin maintained by the Client with CHONA. In exercise of CHONA's right to sell securities under the Agreement, the Client agrees that the choice of specific securities to be sold shall be solely at CHONA's discretion.
10. CHONA reserves the right to square-up all trading positions with or without notice to the Client if adequate margins are not received before the commencement of the next trading day, or if the stipulated trading limits is exceeded in any manner. All Exchange/Regulator levied/prescribed/advised margins shall be payable by the Client and the decision regarding margins to be collected shall rest solely at the discretion/leniency of CHONA which may be amended by CHONA from time to time. CHONA reserves the right to sell any shares purchased by the Client or held by CHONA as margin at its discretion, without any notice to the Client at anytime it may deem fit, and adjust the proceeds against dues/margins from the Client. The Client shall not have any right or claim to question the time of sale of securities sold by CHONA regardless of the market price at the time chosen by CHONA to sell the shares. The Client shall be

liable to pay the full balance amount due from him. The Client shall however have the right to instruct CHONA to sell the shares held by CHONA at anytime (if not already sold by CHONA) and in such cases of Client's default in payment of dues/margins, the Client must compulsorily instruct CHONA in writing to sell, and obtain acknowledgment from the authorised person at CHONA as proof of such instructions.

11. In the Derivatives segment, SPAN margin or VAR margin shall be payable upfront. Also, any mark to market loss shall be fully payable at the end of the trading day. Any shortfall in SPAN margin calculated at the end of the day shall also be paid by the Client before the beginning of trading the next day. CHONA may at their discretion vary the margin requirements at anytime with or without notice to the Client. CHONA may at their discretion, should they deem it necessary for their protection, buy, sell or close out any part or all of the derivative contracts held in a Client's account with or without notice to the Client. Any or all incidental expenses incurred due to this will be debited to the Client and payable by the Client. Clients are hereby informed that Exchange/Clearing Corporation may close option-selling derivative contracts at anytime before expiry at their discretion without notice to the Client or to CHONA.

[I] DISCLAIMERS AND FORCE MAJEURE

1. The Client shall bear all risks in trading / investment. It is normally advisable to close positions early before close of trading everyday to avoid last minute hiccups in trading systems. CHONA does not accept any responsibility/liability for breakdown/delay in Exchange/CTCL/Internet trading systems, software, communication systems, connectivity, power shutdown, etc. due to whatever reason nor does it accept any responsibility for losses arising therefrom directly or indirectly. CHONA also does not accept any responsibility/liability for any stoppage in trading systems or losses if any arising therefrom, due to whatever reason including riots, strikes, floods, earthquakes, natural disasters, communication/transport breakdowns, etc. CHONA also does not accept any responsibility/liability for stoppage in trading systems or losses arising therefrom, due to Exchange/SEBI/ Court/Other authorities' actions or orders even if disciplinary/statutory in nature.
2. Any leniency/waiver shown or any discretionary/non-discretionary action or omission, intentional or unintentional, in the operating guidelines, terms and conditions contained herein, by CHONA, to the advantage/disadvantage of the Client cannot be claimed as a right/shield for further/future or other continuation of the same, unless prior agreement for such leniency/waiver/etc. is entered into in writing between CHONA and the Client.

[J] ERRORS & OMISSIONS

1. In case of any error or omission in any contract/confirmation/accounts statement, etc., the Client must compulsorily inform CHONA before beginning of next day's trading or as early as possible if received during trading hours, so that corrections can be made immediately and losses minimized. If corrections are sought beyond 24 hours or after the next day's trading is completed, it will be done solely at CHONA's discretion.

2. Errors that do not affect positions (where there is no open position), such as errors in brokerage, service charges, squaring up cost, auction cost, covering charges, penalties or other charges must be notified within 24 hours from receipt of relevant statement, as otherwise it would indicate the client's confirmation and consent of the statements as true and correct. It would be the Client's responsibility to ascertain that statements have reached him within a reasonable time-frame. An account statement is normally provided every week or so for all Clients electronically by digitally certified email or in hard copy. Non-receipt of statements or failure/avoiding to acknowledge statements, inward/outward memos, contracts, etc. will not entitle the client to ignore or waive their responsibility in completing the transactions (funds & deliveries) within the deadlines prescribed. Digitally certified documents sent by email to the Client do not require any acknowledgment by the Client. However disputes in the documents, if any, should be raised by the Client within 24 hours from the time of CHONA sending the said documents.

[K] UNDERTAKING BY CLIENT

1. The Client undertakes to return on demand all monies received from CHONA including monies received in advance in respect of the sale consideration for trades executed by CHONA on behalf of the Client on the stock exchange, in the event of the stock exchange withholding for any reason or is unable to make the payment to CHONA in respect of the sale transactions executed by CHONA on behalf of the Client. The Client understands that the securities in respect of such transactions shall be returned by CHONA to the Client only on receipt of the same from the stock exchange.
2. The Client hereby undertakes to indemnify and hold CHONA harmless against all present and future claims/losses/ damages/ expenses incurred by CHONA in respect of the transactions of the Client with CHONA.
3. The Client shall indemnify and keep indemnified CHONA harmless from and against all claims, demands, actions, proceedings, loss, damages, liabilities, charges and / or expenses that are occasioned or may be occasioned to CHONA directly or indirectly, owing to bad delivery of shares / securities and / or as a result of fake / forged / stolen shares / securities / transfer documents that are introduced or may be introduced by or through the Client during the course of its dealings/ operations on the Exchange(s).
4. The Client hereby undertakes that he shall deal with CHONA only as a Client. The Client shall not do trades, give deliveries or receive deliveries nor raise contracts /memos/bills out of the transactions done through CHONA, for other parties. The Client hereby undertakes that he will not act or represent himself as a sub-broker/ financial intermediary/ agent/ broker /representative of CHONA at any time.
5. The Client hereby agrees and expressly consents that should there be in the opinion of CHONA, any dispute/default in meeting his obligations with CHONA, CHONA may at its discretion release any information about

the client, his trades/dealings/transactions/ settlements/ accounts and any disputes/ defaults/ arbitration /court action/etc initiated or taken, to anyone CHONA deems fit and necessary, including the Exchange/ Regulator / relevant institutions / banks / trade bodies / default or dispute databases / business associations/ etc. and the same may be made available to other members/brokers of any Exchange.

[L] DISCLOSURES

In addition to client based business CHONA does proprietary trading also.

The Client is aware that CHONA may at their discretion tape-record the conversations between the Client / Client's representative and CHONA, either personally or over the telephone, and the Client hereby specifically permits CHONA to do so. Such recordings may be relied upon by CHONA as and when required.

[M] OTHER CHARGES AND FEES

All Exchange/Clearing Corporation/NSDL/CDSL/ Depository Participant/SEBI/Clearing Member/Bank charges, fees and penalties levied in connection to the Client's transactions will be debited to the Client and the Client shall pay the same. Discretion for debit of such charges shall solely lie with CHONA.

[N] ADDITIONAL INFORMATION

The Client shall provide without demur or conditions any additional information sought to substantiate his identity, credibility, ability to pay, financial statements, sources of funds, trading / investment practices and patterns, information about disputes with any other broker-member, etc.

[O] ALL THE ABOVE OPERATING GUIDELINES, TERMS AND CONDITIONS ARE SUBJECT TO :

1. Changes and such change will be notified from time to time either orally or via circulars hand-delivered/mailed/ emailed/faxed//published in newspaper/posted on the bulletin-board/ CHONA's website, by CHONA or any relevant authority;
2. The laws, byelaws, statutes, rules, regulations, guidelines, terms and procedures of the Exchange, SEBI, NSDL, CDSL, Clearing Corporation, Depository Participants, Banks, and other relevant authorities;
3. The Client shall be responsible for verifying the relevant terms/conditions/procedures/Acts/Rules/Regulation/Guidelines /Circulars prior to placing of orders;
4. Wherever the rules, regulations, byelaws, statutes are silent or do not deal with the issue at hand, the normal business practices and procedures relevant to this business/industry shall dictate.

I/we have fully read, and accept these Operating guidelines, terms and conditions as an integral and important part of the requirements for dealing with CHONA as its Client.



Name & Signature of the Authorised Signatory

STANDING INSTRUCTIONS: Account Operation**VOLUNTARY**

To : Chona Financial Services Limited, Chennai

I/We am/are aware that you are required to issue monies/securities due to me/us within 24 hours of the pay-out from the exchange. In order to facilitate operations, for my/our convenience, and on my/our own, I/we hereby authorize you to maintain my/our account as my/our running account with you, instead of settlement to settlement clearance of dues to me/us. These Standing Instructions are applicable to all market segments (Capital/Cash market, Derivatives/Currency Derivatives, etc.) in which I/we have or may have dealings with you. It is my/our request to you that unless and until I/we request full or part payment/delivery thereof, any credit balance in my/our account(s), be it security deposit/margin/trading/other account, and/or any shares/deliveries with you by way of purchase, margin, pledge, loan, debit or whatever reason, may please be retained in your own account or your DP beneficiary account itself and marked against my/our account(s), and adjusted towards impending margins, delivery charges, dues or further purchase/sale positions that I/we may undertake.

I/we understand that I/we may revoke the Running Account authorization at any time. I/We further agree and confirm that the above Running Account Authorisation and Account Operation shall continue until it is revoked (without notice) in writing by me and that the said revocation shall be effective from the date on which the revocation notice is received by the stock broker in his office at No.46 & 44, Prakasam Street, T. NAGAR, Chennai 600017.

If any payment/delivery requested by me/us is not received by me/us upon request on or after the due date, I/we confirm that I/we shall first inform and request your Registered Office at Chennai by Speed Post/Registered Post before initiating any other action/complaint against you.

I/we opt for Monthly Quarterly Settlement of Funds and Securities.

I/we agree that penal interest at the rate of 0.1% per day, compounded each day, shall be levied by you and payable by me/us on all outstandings including any margins/security deposits/account dues left unpaid by me/us on the respective due dates and I/we hereby authorize you to directly debit the same to my/our account. I/we hereby authorize you to adjust my/our credit balances/security deposits/margin deposits/shares/deliveries in any of my/our account(s) with you towards dues in any of my/our account(s) with you in any Market Segment (Cash, Derivatives, Currency Derivatives, etc.), of any Exchange, for any Settlement, etc. Please treat the above as standing instructions.

Date

Client Signature (with seal if required)

**STANDING INSTRUCTIONS:****Transfer of Demat purchases to margin/sec.dep. Account****VOLUNTARY****To : M/s. Chona Financial Services Limited, Chennai.**

I/we request you to please transfer all securities and scrips purchased by me/us at anytime to your designated margin beneficiary account in your name and keep the same as margin/security deposit for further trading/Sales. Should the occasion arise, you may please take re-inward of the same and give delivery of the shares against sales if any done by me/us without notice to me/us. I/we agree to bear all costs and charges incurred by you in this respect including costs and charges levied by the DP, and I/we agree to reimburse the same to you.

I/we request you to please treat this as my standing instruction unless specifically requested by me/us to do any thing to the contrary. Notwithstanding anything mentioned here in above and without prejudice to your rights and claims I/we hereby confirm and acknowledge your right to sell and deliver the shares and adjust all accrued corporate benefits at anytime to recover any dues outstanding in my/our account.

I/we have on our own willingly and voluntarily issued the above standing instructions (which we understand is only optional) with full understanding and acceptance of the same for my/our own convenience.

Date

Client Signature (with seal if required)



(Sub-broker/Authorised Person of CHONA or Employee of CHONA cannot be the Client's Authorised Representative)

I / We on our own volition and without any suggestion/persuasion from you or anyone else, hereby authorise

1. Mr./Mrs. _____ (whose resume is as follows) :

S/o, D/o, W/o: _____ Date of Birth : _____

Occupation/Designation: _____ Organisation : _____

Office Address: _____

Home Address : _____

Tel.Off.: _____ Mobile _____ Tel.Res.: _____ Fax : _____

2. Mr./Mrs. _____ (whose resume is as follows) :

S/o, D/o, W/o: _____ Date of Birth : _____

Occupation/Designation: _____ Organisation : _____

Office Address: _____

Home Address : _____

Tel.Off.: _____ Mobile _____ Tel.Res.: _____ Fax : _____

to do business, place, execute, modify or cancel orders to buy and sell Shares and Securities, Futures and Options, Derivatives, etc., to provide transfer instructions for funds and deliveries in and out of my/our Trading/Margin/Security Deposit Accounts and to receive & deliver from/to your organisation : Cheques, Demand Drafts, Funds, Deliveries, Documents, Contracts, Acknowledgments, Accounts and Pending Position Statements, Papers, Letters, etc. This authorisation shall be valid for all my/our accounts existing or opened hereafter with you in any Market, Segment, Exchange, Settlement, etc., unless specifically stated otherwise by me/us in writing. I/we attest the specimen signature of the above mentioned authorised person as shown hereunder. This authorisation shall remain in force unless otherwise it is revoked in writing and such revocation is intimated to you in writing.

Date:

Affix
photo of
Authorised
Representative
here.

Specimen Signature of (1)

Affix
photo of
Authorised
Representative
here.

Specimen Signature of (2)

1. Specimen Signature of Authorised Representative

Client Signature (with seal if required)

2. Specimen Signature of Authorised Representative

✓

I/we (Client) have provided you, Chona Financial Services Limited (CHONA), with the below-mentioned email address created by me/us, to which I/we want you to send us digitally certified contracts, account statements, bills, confirmation of balance statements, documents, letters, delivery memos, other papers, etc. (all or any of the afore-mentioned at your discretion) in electronic form :

Email Address

I/we understand and accept that :

CHONA may in its discretion send any document that is obligatory to be sent to the Client by means of an Electronic communication duly authenticated by digital signature of the authorised signatory, with the possible exception of graphic insertions such as photographs or logotypes. This electronic communication may be in the form of an e-mail, an e-mail attachment or in the form of download available on the Website. Every document so sent shall contain all such information as is mandated by the concerned statutory and/or regulatory authority. CHONA would be deemed to have fulfilled its legal obligation to deliver a document to the Client, if it is sent by the electronic mode. The Client shall download the said document(s) regularly and also promptly at least once every twenty-four hours or sooner as necessary, to ensure that he receives the document(s) in time and keep his email id and mail box ready in every manner to receive the documents sent by CHONA. Provided that on a request being made by the Client, due to a difficulty experienced by the client in viewing the same, CHONA may in its discretion make the required delivery by such other means, as it may deem appropriate.

There is no arrangement or requirement for the Client to acknowledge receipt of the documents sent electronically in the above manner. The document shall be deemed to have been duly delivered and its content accepted by the Client if no intimation is received from the Client (or from the email service provider of bounced mail) by CHONA within twenty-four hours from the time of sending the document. CHONA shall not be liable for any inaccuracy, error, omission in or delay in the transmission or delivery of the document(s) and that all of the above shall be subject to delay in sending or receiving due to any electronic, electrical, network, internet, software, hardware or technological breakdown or any force majeure condition and CHONA shall not be liable in such cases for any delay or failure due to such conditions, circumstances, acts, errors or omissions. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the log-in name and password for his email account. The Client shall immediately inform CHONA about change in email address if any. CHONA may at its discretion verify and confirm with the Client about the change in email address in writing prior to sending documents to the new email address.

A copy of the Contracts issued to the Client by CHONA are available to the Client at CHONA's website for a period of time not less than one year from date of contract. Neither CHONA nor any other party disseminating any data / message / information on behalf of CHONA through the Website/Internet/Email shall be liable for any inaccuracy, error, omission in or delay in the transmission or delivery of any such data, information or message, or any loss or damage arising from or occasioned by any such inaccuracy, error, delay or omission, non-performance, or interruption in any such data, information or message, due either to any act or omission by CHONA or any disseminating party or to any "force majeure" (e.g., flood, extraordinary weather condition, earthquake or other act of God, fire, war, insurrection, riot, labour dispute, accident, action by government, communications, power failure, internet downtime, equipment or software malfunction or any other cause beyond the reasonable control of CHONA or any disseminating party).

I/we hereby confirm to CHONA my/our acceptance and readiness to receive digitally certified contracts, account statements, bills, confirmation of balance statements, documents, letters, delivery memos, other papers, etc. (all or any of the afore-mentioned at CHONA's discretion) in electronic form. I/we agree and consent to the above said terms. I/we also confirm that the email address shown above is created by me/us and is accurate, and we wish to receive the digitally certified documents in electronic form with immediate effect.

Non-receipt of bounced mail notification shall tantamount to delivery of contract note .

Date

Client Signature (with seal if required)



REGISTRATION / MODIFICATION FORM
For Receiving SMS Alerts From the Trading Member

VOLUNTARY

To
CHONA FINANCIAL SERVICES LIMITED
No.46 Prakasam Street T. Nagar. Chennai – 600017

Sub : Registration / Modification Form for receiving SMS Alerts from CHONA

I/We wish to avail the SMS Alerts facility provided by the CHONA on my/our mobile number provided in the registration form subject to the terms and conditions mentioned below. I/ We consent to CHONA providing to the service provider such information pertaining to Ledger Balance /Short Delivery Intimation / Payout Position/other relevant information in my/our account as is necessary for the purposes of generating SMS Alerts by the service provider, to be sent to the said mobile number.

Fees: CHONA reserves the right to charge such fees from time to time as it deems fit for providing this service to the CLIENT after providing notice via SMS or Email or letter at the time of introduction or change of fee.

Disclaimer: CHONA shall make reasonable efforts to ensure that the CLIENT's personal information is kept confidential. CHONA does not warranty the confidentiality or security of the SMS alerts transmitted through a service provider. Further, CHONA makes no warranty or representation of any kind in relation to the system and the network or their function or their performance or for any delay or loss or damage whenever and howsoever suffered or incurred by the Client or by any person resulting from or in connection with availing of SMS alerts facility. CHONA gives no warranty with respect to the quality of the service provided by the service provider. CHONA will not be liable for any unauthorized use or access to the information and/ or SMS alert sent on the mobile phone number of the Client or for fraudulent, duplicate or erroneous use/ misuse of such information by any third party. This being an additional service provided by CHONA in the interest of the client, CHONA shall bear no responsibility or liability consequent to providing this service or shortcomings thereof.

I/We have read and understood the terms and conditions mentioned above and agree to abide by them and any amendments thereto made by CHONA from time to time. I/ we further undertake to pay fee/ charges as may be levied by CHONA from time to time.

I/We provide the following information for the purpose of REGISTRATION / MODIFICATION (Please strike out what is not applicable).

CLIENT CODE:

Mobile Number on which messages are to be sent

+91

(Please write only the mobile number without prefixing country code or zero)

The mobile number is registered in the name of:

Email ID:

(Please write only ONE valid email id for communication - this should be the same email id already provided to us for receiving digitally certified documents/contracts)

Date

Client Signature (with seal if required)



NSE BSE MCX-SX

BOOKLET



1. Instructions/check list for filling kyc form . A 3 – A 4 [MANDATORY]
2. Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading). C 1 - C 5 [MANDATORY]
3. Document detailing risks associated with dealing in the securities market.(RDD) D 1 - D 4 [MANDATORY]
4. Document detailing do's and don'ts for trading on exchange, for the education of the investors. E 1 - E 2 [MANDATORY]
5. Document describing significant policies and procedures of the stock broker . F 1 - F 2 [MANDATORY]

WELCOME!

Dear Sir / Madam,

We welcome you to open your trading/investment account with Chona Financial Services Limited (CHONA).

SEBI Regn. Nos. : NSE Capital market : INB230754330
NSE Derivatives : INF230754330
NSE Currency Derivatives : INE230754330
NSE Self Clearing Member Applicable for the Derivatives Segment :
Self Clearing Member ID : M50445

MCX-SX Currency Derivatives : INE260754330

BSE Capital market : INB 010754332
BSE Derivatives : INF0107543320
BSE Clearing Member Applicable for the Derivatives Segment :
Clearing Member : INF010754332

To enable us to process your client registration quickly we request you to please fill in all questions fully and attach all the enclosures/proof requested.

Please show the originals of the attached proofs to the processing officers for verification and return.

We also offer Portfolio Management Services (PMS).
(SEBI Regn. No. : INP000001199).

Please contact our PMS department for further information.
A separate PMS Agreement & Risk Disclosure Document is available.

Our group companies also offer Trading and Demat facilities at :

1. The Central Depository Services (India) Limited (CDSL- DP)
2. The Multi Commodity Exchange Ltd. (MCX)
3. The National Commodity & Derivatives Exchange Ltd. (NCDEX)
4. The National Spot Exchange Limited

Please call for separate Client Registration Forms & Agreements for these markets/segments.

We also welcome you to take advantage of our varied services including :

1. Fundamental Recommendations
2. Technical Analysis Support
3. Internet Trading - please ask for password/limits.
4. Wide branch network
5. Digitally certified contracts sent by email.
6. Back up copies of contracts on CHONA website (please ask for password)
7. Accounts over the web (please ask for password)

For any doubts or clarifications please contact our Client Registration officers at the Head Office
Tel.: +91 (44) 4204 2222 / 3090 2222 or the Branch Managers nearest to you.

We wish you the very best in your trading/investments.

The CHONA team

Awaiting the opportunity to serve you to the best of our ability,

A. IMPORTANT POINTS:

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

B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

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

C. Proof of Address (POA): - List of documents admissible as Proof of Address:

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

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

D. Exemptions/clarifications to PAN

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

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

E. List of people authorized to attest the documents:

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

F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below

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

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

CLIENT INFORMATION

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account

opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

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

MARGINS

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

TRANSACTIONS AND SETTLEMENTS

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

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

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.

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.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in

electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

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

purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

LAW AND JURISDICTION

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

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT (All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)

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

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

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

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

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

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

and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

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

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

1. BASIC RISKS:

1.1 Risk of Higher Volatility:

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

1.2 Risk of Lower Liquidity:

Liquidity refers to the ability of market participants to buy and/or sell securities/derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared

- to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.
- 1.2.1 Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.
- 1.3 Risk of Wider Spreads:
Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.
- 1.4 Risk-reducing orders:
The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.
- 1.4.1 A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.
- 1.4.2 A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.
- 1.4.3 A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.
- 1.5 Risk of News Announcements:
News announcements that may impact the price of stock/ derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.
- 1.6 Risk of Rumors:
Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.
- 1.7 System Risk:
High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.
- 1.7.1 During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.
- 1.7.2 Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.
- 1.8 System/Network Congestion:
Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of

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

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

2.1 Effect of "Leverage" or "Gearing":

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

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

- A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For

example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

2.2 Currency specific risks:

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

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

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

BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges www.nseindia.com, 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) 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.

1. Refusal of orders for penny stocks:

The Stock broker hereby advises the clients to refrain from dealing in penny securities since they may be subject to manipulation or suffer from lack of liquidity and depth. Should the client deal in penny stocks, margin upto 100% may be claimed from the client (to be paid immediately, failing which order may not be executed, and in case order has already been executed, the position may be squared off at the discretion of the Member), and also, these shares will not be taken as Margin deposit. The stock broker shall have authority from time to time to limit quantity/ value of order(s) or refuse order(s) in one or more securities due to various reasons including market liquidity, value of security(ies) or to require compulsory settlement / advance payment of expected settlement value or delivery of securities for settlement prior to acceptance / placement of order(s), where the order is for securities which are not in the permitted list of the stock broker / exchange(s) / SEBI or where the risk/exposure is not commensurate with the risk profile of the client as assessed by the broker. Decision of Broker will be binding on the client and will be final.

2. Setting Up Client's Exposure Limits:

The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or by SEBI from time to time. The client is aware and agrees that the stock broker may need to vary or reduce or impose new limits urgently on the basis of the stock broker's risk perception, risk profile of the client and other factors considered relevant by the stock broker including but not limited to limits on account of exchange/ SEBI directions/ limits (such as broker level/ market level limits in security specific / volume specific exposures etc.).

The stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. Sometimes client's order may go to IOC (Immediate or Cancel) instead of normal bidding if broker terminal is on square off mode.

The Stock Broker at its sole discretion can give extra exposure or intraday limit to the client, such extra exposure will automatically be squared off by trading mechanism without any further reference to the client approximately 15 minutes before the scheduled closing or whenever any risk is perceived by the stock broker at his discretion.

3. Applicable Brokerage Rate

- a. For Cash Market Segment: The maximum brokerage chargeable for trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of exchange transaction charges and statutory levies. It is hereby further clarified that where the sale / purchase value of a share is Rs. 10/- or less, a maximum brokerage of 25 paise per share may be collected.
- b. For Option contracts: Brokerage for option contracts would not exceed Rs.100/- per lot single side or such other rates as provided by the exchange.

4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws)

Client shall be liable to penalty and other charges in case of non-payment of margin money, short selling of securities or units, failure on payment of auction, cheque bouncing, non-delivery or short delivery of shares, increase in open position(s) or place any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force as per Rules, Regulations, Guidelines and Circulars issued by SEBI and stock exchange. From time to time the client will be kept informed about the rate of such penalties & fines. Similarly in case of non-receipt of full payment of value of delivery purchased, or non-receipt of margin imposed (initial + MTM + additional margins + ad hoc exchange margins) penalty will be charged at 0.1% per day calculated on daily basis on shortfall amount till the date of actual realization of money.

All fines/penalties and charges levied upon the Client due to his acts / deeds or transactions will be recovered by the Stock Broker directly from the client's account or debited to the Client's account at the rate of 0.1% per day on the outstanding balance each day. Where the Stock Broker fails to make payment to the Client as specified by the Exchange / SEBI or upon demand for payment by the client in case of his maintaining a running account.

5. The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues (This shall be limited to the extent of settlement/margin obligation) shall be available to the stockbroker

1. If payment/securities towards the Margin or shortfall in Margin is not received instantaneously to enable restoration of sufficient Margin in the Client's account or where benefit of margin is pending realization of instrument.
2. If the client gives orders / trades in the anticipation of the required securities being available subsequently for pay in through anticipated payout from the exchange or through borrowings or any off market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any reason before the close of market.
3. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/ liquidate all open positions/ securities / shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage mentioned on the website, whichever is earlier. Similarly all transactions outstanding beyond the limit by whatsoever name called may be closed out at specified time if not squared off by the client.
4. In case open position gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfill the pay-in obligation failing which the client will have to face auctions or internal close outs; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any.
5. Any reference in these terms to sale or transfer of securities by the Stock Broker shall be deemed to include sale of the securities which form part of the Margin maintained by the Client with the Stock Broker.
6. **Shortages in obligations arising out of internal netting of trades**
The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:
CHONA will close out the position at 10% higher than the closing rate on the day of Exchange auction for the relevant trading day or at the rate/percentage/formula determined by the Exchange from time to time. CHONA will debit the defaulting Client at this rate and credit the buying Client for the same amount. In case of short/no delivery by Client, Exchange penalty charges and other costs will be levied at actuals.
7. **Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client.**
The stock broker may refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by stock broker / exchange/ SEBI and/or any other reasons which the stock broker may deem appropriate in the circumstances.
 1. for non-payment or erosion 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.
 2. Any order which is executed without the required Margin in the Client's account or where the brokers exposure is more than limit considered prudent by the broker no fresh order will be accepted or trade will be executed.
 3. The client hereby authorizes the Stock Broker to square up all his outstanding positions at the discretion of the Stock Broker, which are not marked for delivery 15 minutes before the closing time of the normal market or if the client's mark to market loss exceeds 90% of the margin available for the client in any of exchanges, the Stock Broker reserves the right to square off positions.
 4. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason as prescribed or instructed by the Exchange / SEBI.
 5. The stock broker is entitled to disable / freeze the account or trading facility / any other service if, in the opinion of the stock broker, the client has committed a crime, fraud or has acted in contradiction of this agreement or / evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock broker so apprehends. Any profit/loss arising out of these transactions shall be at the risk of and borne by the client.
8. **Temporarily suspending or closing a client's account at the client's request :** Client may instruct the member to close out the account or suspend the trading through client's account for the period as specified in his written request duly signed by him. The stock broker can at his discretion withhold the payouts of the client and/or suspend his trading account due to any change in risk perception or any surveillance action or judicial or / and regulatory order/action requiring client suspension.
9. **Deregistering a client**
A client is at liberty to deregister himself / itself from the member. For that purpose client will be liable first to settle his account in full. In case of any shortfall or any dues or payment remaining after adjusting the margin / account balance, the client will be liable to make payment of the same. And in case of surplus arising after netting of the account, the client shall be entitled to receive the same. The member shall also have power to deregister the client after settling his account at the member's discretion.
10. **Inactive Client Account :**
Client will be treated as Inactive if he has not placed any order for Trading / Investment for more than 6 month. Such a Client will not be allowed to place orders automatically. His said Client code could be deactivate in the trading system. In such case the Client will be active after due verification and after requesting updation of his KYC details.