

**Annexure-1 ACCOUNT OPENING KIT****INDEX**

Sr. No.	Name of the Document	Brief Significance of the Document	Page No.
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES</b>			
1.	Account Opening Form	A. KYC form - Document captures the basic information about the constituent and an instruction/check list. B. Document captures the additional information about the constituent relevant to trading account and an instruction check list.	
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).	11-15
3.	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	16-19
4.	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	20-21
5.	Policies and Procedures	Document describing significant policies and procedures of the stock broker (to be added by the stock broker)	22-23
6.	Tariff sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s). (to be added by the stock broker)	24
<b>VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER</b>			
7.	Voluntary Document-1	Document showing voluntary consents for smoother operational convenience of trading account which can be revoked at any point of time.	
8.	Voluntary Document-2	Documents showing voluntary clauses for running account maintenance, e-mail ID and Mobile no. for receiving SMS etc. which can be revoked at any point of time AML policy.	

**BETALA STOCK BROKING LTD.**

**Member** : NATIONAL STOCK EXCHANGE OF INDIA LTD.  
**Regd.Office Address** : 24, Revannier Street, Chennai-3.  
**Dealing Office** : 704/1, Chinubhai Building, Revdi Bazar Crosslane, Ahmedabad-380 002.  
**Phone** : 079-22125852 / 53, 22135330, 22135356  
**Fax** : 079-22124351  
**E-mail** : betalastock@yahoo.co.in  
**Website** : www.betala.co.in

Detail	NSE Cash Segment	NSE F&O Segment	NSE Currency Segment
SEBI Reg.No.	INB230909932	INF230909932	INB230909932
SEBI Reg.Date	.....	.....	.....
Member Code	....		

**NSE F&O Clearing Member Name** : IL&FS Security Services Ltd.  
**Address** : IL&FS HOUSE, RAHEJA VIHAR, CHANDIVILI, ANDHERI (EAST), MUMBAI  
**Phone Number** : 022-28570965  
**IG Email ID** : [fno.group@issl.co.in](mailto:fno.group@issl.co.in)  
**Clg No.** : C50008  
**SEBI Registration No.** : INF231133630  
**SEBI Registration Date** : 02-JUN-2000

### CEO/COMPLIANCE OFFICER DETAILS

Name	Designation	E-mail	Phone
Mr. Dinesh B. Jain	Director	betalastock@yahoo.co.in	079-22125852

for any grievance / dispute please contact Betala Stock Broking Ltd at the above address or

e-mail ID : ..... and phone : 079-.....

In case not satisfied with the response, please contact the concerned Exchange(s) at

Exchange	E-mail ID	Phone/Fax No.
NSE	ignse@nse.co.in	(022)26598190 (022)26598191

### TARIFF SHEET

Client Code		Segment	Brokerage Type	%Age	Minimum
Recommended by		Capital Market	Delivery Based		
Signature			Square UP		
Approved by		Equity	Future		
Signature			Option		
A/c. Opened by		Derivatives	Future		
Signature			Option		
Date		NSE CD	Future		
			Option		

#### Notes :

- Brokerage will be charged within the limits prescribed by SEBI/Exchanges.
- Brokerage will be charged on per share basis, rounded off to nearest 2 to 4 decimal points as per back office software of the stock broker and then multiplied with the total number of shares, in order to calculate total brokerage per transaction payable by the client.
- Apart from Brokerage as agreed with you and as disclosed hereinabove, various other statutory levies at actual from time to time, such as Service Tax presently @10.30% on brokerage value, Securities Transaction Tax\* (as per applicable regulations). For e.g. on delivery based transactions STT @0.125% on transaction value buy & sell both, shall apply. Service Tax and STT, both are Government levies and are subject to change from time to time.
- On option segment of Exchange, it is hereby disclosed that brokerage shall not exceed 2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.
- Other Taxes and Statutory Levies as prescribed by Government and regulatory authorities would be applicable. Such taxes and statutory levies are charged as applicable from time to time.
- Apart from above, delayed payment charges as per Policy & Procedures under mandatory documents forming part of KYC documents would also apply.
- Betala Stock Broking Ltd. reserves the right to revise the brokerage structure, by publishing / displaying the same on its website [www.betala.co.in](http://www.betala.co.in)

*\*Conditions apply*

  
 Signature of Applicant

Date :   -   -


**Annexure-2 KNOW YOUR CLIENT (KYC) APPLICATION FORM****FOR INDIVIDUALS***Please fill this form in ENGLISH and in BLOCK LETTERS.*

<b>A. IDENTITY DETAILS</b>															<b>PHOTOGRAPH</b> Please affix the recent passport size photographs and duly sign across it (1/24)
1.	Name of the Applicant														
2.	Father's/ Spouse Name														
3.	a. Gender		<input type="checkbox"/> Male		<input type="checkbox"/> Female		b. Marital status		<input type="checkbox"/> Single		<input type="checkbox"/> Married				
	c. Date of birth														
4.	a. Nationality														
	b. Status		<input type="checkbox"/> Resident Individual <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreign National												
5.	a. PAN														
	b. Unique Identification Number (UID)/ Aadhaar, if any														
6.	Specify the proof of Identity submitted														
<b>B. ADDRESS DETAILS</b>															
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														
<b>C. OTHER DETAILS</b>															
1.	Gross Annual Income Details (please specify)														
	Income Range per annum		<input type="checkbox"/> Below Rs 1 Lac <input type="checkbox"/> 1-5 Lac <input type="checkbox"/> 5-10 Lac <input type="checkbox"/> 10-25 Lac <input type="checkbox"/> >25 Lacs   or												
	Net-worth as on										Rs.				
	(Net worth should not be older than 1 year)														
2.	Occupation (please tick any one and give brief details):														
	<input type="checkbox"/> Private Sector <input type="checkbox"/> Public Sector <input type="checkbox"/> Government Service <input type="checkbox"/> Business <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Housewife <input type="checkbox"/> Student <input type="checkbox"/> Others _____														

3.	<b>Please tick, if applicable:</b> <input type="checkbox"/> <b>Not Applicable</b>
	<input type="checkbox"/> Politically Exposed Person (PEP) <input type="checkbox"/> 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 Applicant

Date :   -   -

**FOR OFFICE USE ONLY**

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

For, **BETALA STOCK BROCKING LTD.**

  
Signature of Authorised Signatory

Date :   -   -

## KNOW YOUR CLIENT (KYC) APPLICATION FORM

FOR NON-INDIVIDUALS

Please fill this form in ENGLISH and in BLOCK LETTERS.

PHOTOGRAPH

Please affix  
the recent  
passport size  
photographs  
and duly sign  
across it

(23/24)

A. IDENTITY DETAILS												
1.	Name of the Applicant											
2.	Date of Incorporation											
	Place of Incorporation											
3.	Date of Commencement of Business											
4.	a. PAN							b. Registration No. (e.g. CIN)				
5.	Status : (please tick any one)											
	<input type="checkbox"/> Private Limited Co. <input type="checkbox"/> Public Ltd. Co. <input type="checkbox"/> Body Corporate <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Charities <input type="checkbox"/> NGO's											
	<input type="checkbox"/> FI <input type="checkbox"/> FII <input type="checkbox"/> HUF <input type="checkbox"/> AOP <input type="checkbox"/> Bank <input type="checkbox"/> Government Body <input type="checkbox"/> Non-Government Organization											
	<input type="checkbox"/> Defense Establishment <input type="checkbox"/> BOI <input type="checkbox"/> Society <input type="checkbox"/> LLP <input type="checkbox"/> 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 permanent address											
C. OTHER DETAILS												
1.	Gross Annual Income Details (please specify)											
	Income Range per annum		<input type="checkbox"/> Below Rs 1 Lac		<input type="checkbox"/> 1-5 Lac		<input type="checkbox"/> 5-10 Lac					
			<input type="checkbox"/> 10-25 Lac		<input type="checkbox"/> >25 - 1 Crore		<input type="checkbox"/> > 1 Crore					
2.	Net-worth as on									Rs.		
	(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	<input type="checkbox"/> Politically Exposed Person (PEP)/ <input type="checkbox"/> 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 of Authorised Signatory : \_\_\_\_\_

  
Signature of Applicant

Date :   -   -

**FOR OFFICE USE ONLY**

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

For, **BETALA STOCK BROCKING LTD.**

  
Signature of Authorised Signatory

Date :   -   -

**INSTRUCTIONS / CHECK LIST FOR FILLING KYC FORM****A. IMPORTANT POINTS:**

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

11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

**B. Proof of Identity (POI):**

*List of documents admissible as Proof of Identity:*

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

**C. Proof of Address (POA):**

*List of documents admissible as Proof of Address: (\*Documents having an expiry date should be valid on the date of submission.)*

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled

Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.

6. Identity card/document with address, issued by any of the following: Central/ State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

#### **D. Exemptions/clarifications to PAN**

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

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.

2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds 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:**

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

**Annexure-3 TRADING ACCOUNT RELATED DETAILS****FOR INDIVIDUALS & NON-INDIVIDUALS**

<b>A. BANK ACCOUNT DETAILS : (Attach proof for all) (Sr. No. 1 will be default A/c.)</b>					
Bank Name					
Branch Address					
Bank Account No.					
A/c. Type		<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others _____ in case of NRI/NRE/NRO			
MICR No.		IFSC Code			
<b>B. DEPOSITORY ACCOUNT DETAILS :</b>					
Depository Participant Name					
Depository Name NSDL CDSL					
Beneficiary Name					
DP ID					
Beneficiary ID (BO ID)					
<b>C. TRADING PREFERENCES</b>					
*Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.					
NSE	Cash Segment			NSE - CDS (Currency Derivatives)	
	F&O Segment				
# If, in future, the client wants to trade on any new segment / new exchange, separate authorization / letter should be taken from the client by the stock broker.					
<b>D. PAST ACTIONS</b>					
■ 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 _____					
<b>E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS</b>					
<b>If client is dealing through the sub-broker, provide the following details</b>					
Sub-broker's Name					
SEBI Registration number					
Registered office address					
Phone		Fax		Website	
<b>Whether dealing with any other stock broker/sub-broker</b> (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					

<b>F.</b>	<b>ADDITIONAL DETAILS</b>			
	Whether you wish to receive <input type="checkbox"/> physical contract note or <input type="checkbox"/> 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			
<b>G.</b>	<b>INTRODUCER DETAILS (optional)</b>			
	Name of the Introducer			
	Status of the Introducer <input type="checkbox"/> Sub-broker <input type="checkbox"/> Remisier <input type="checkbox"/> Authorized Person <input type="checkbox"/> Existing Client <input type="checkbox"/> Others, please specify			
	Address and Phone no. of the Introducer			
	AR Reg. No.		Date	
	Signature of Introducer			
<b>H.</b>	<b>NOMINATION DETAILS (for individuals only)</b>			
	<input type="checkbox"/> I/We wish to nominate <input type="checkbox"/> 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			
	<b>If Nominee is a minor, details of guardian</b>			
	Name of guardian			
	Address and Phone no. of Guardian			
	Signature of Guardian			
	<b>WITNESSES</b> (Only applicable in case the account holder has made nomination)			
	Name		Name	
	Signature		Signature	
	Address		Address	
<b>DECLARATION :</b>				
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.				
 Signature of Client / (all) authorized Signatory (ies)			Place : _____ Date : <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span> - <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span> - <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span> <span style="border: 1px solid black; padding: 2px;">  </span>	

**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.

For, **BETALA STOCK BROCKING LTD.**

\_\_\_\_\_  
Signature of Authorised Signatory

Date :   -   -

\_\_\_\_\_  
(Seal / Stamp)

**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 documents.	Self declaration with relevant supporting

*\*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.

**Annexure-4 RIGHTS & OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS****(As prescribed by SEBI and Stock Exchanges)**

1. The client shall invest/trade in those securities/ contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/ notices issued there under from time to time.
2. The stock broker, sub-broker and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).
7. 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.
8. 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.
9. 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.
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

**■ 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

schedules/procedures of the relevant stock exchange where the trade is executed.

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

#### ■ **BROKERAGE**

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

#### ■ **LIQUIDATION AND CLOSE OUT OF POSITION**

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### ■ **DISPUTE RESOLUTION**

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

#### ■ **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock

exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.

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

#### ■ ADDITIONAL RIGHTS AND OBLIGATIONS

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

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

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter- alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

#### ■ 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.

## Annexure-5 RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET & DERIVATIVES SEGMENTS

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

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

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

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

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

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

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

2.1.1 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.

2.1.2 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.

2.1.3 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.

2.1.4 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.

2.1.5 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.

  
Signature of Applicant

**Annexure-6****GUIDANCE NOTE : DO'S AND DON'TS FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS****BEFORE YOU BEGIN TO TRADE**

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

**TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in

the name of sub- broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.

12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due

from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (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.<sup>14</sup> 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.<sup>15</sup> 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

14. 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.

15. 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

16. 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.
17. 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.
18. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## POLICIES AND PROCEDURES

[As per SEBI Circular No. MIRSD / SE/ CIR-19 / 2009 Dated 3 December, 2009]

### 1. Refusal of orders for penny stocks:

Stock broker is advising to the clients not to deal in penny securities and if client deals with the penny stocks, 100% margin will be taken from the client and these shares will not be taken to as Margin deposit. The stock broker shall have authority from time to time limit (quantity/ value) or refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies) or may require compulsory settlement / advance payment of expected settlement value/ delivery of securities for settlement prior to acceptance / placement of order(s) as well, the order being for securities which are not in the permitted list of the stock broker / exchange(s) / SEBI or does 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 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 sauda 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 appx. 15 minutes before the scheduled closing.**

### 3. Applicable Brokerage Rate:

- a. **For Cash Market Segment:** The maximum brokerage chargeable in relation to 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 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 exchanges.

### 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 on nonpayment of margin money, short selling of securities or units, failure on payment of auction, cheque bounce, non delivery of shares, increase open position or on 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 time to time and 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, margin imposed (initial + MTM) interest will be charged at 21% p.a. 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 its acts / deeds or transactions will be recovered by the Stock Broker directly from the client's 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)

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.

2. In case of benefit of margin will be given only after realization of instrument.
3. 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.
4. 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) 18 percentage reaches or crosses stipulated margin percentage mentioned on the website, whichever is earlier. similarly all transactions outstanding under limit by whatsoever name called may be closed out at specified time if not squared off by the client.
5. In case open position (Le. short/long) gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfill the payin 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.
6. 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:

- a. The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/Payout Day. The securities delivered short are purchased from market on T +3 day which is the Auction Day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies + 5 % extra) is debited to the short

delivering seller client along with reversal entry of provisionally amount debited earlier.

- b. If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T +3 day or Auction day on Exchange +10%. Where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/ credits shall be as per Exchange Debits and Credits after deducting exchange penalties.
- c. In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction

#### 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 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 the brokers exposure is more than 90% and above so no fresh trade will be taken.
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 margin is evaporated by 90% in any of exchanges, 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 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 the request in written and duly signed by him. The stock broker can with hold the payouts of client and suspend his trading account due to his 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, the client will be liable to make payment of the same. And in case of surplus arising out after netting of account, client shall be entitled to receipt of the same. The member shall also have power to deregister the client after settling his account at its sole discretion.

10. **Client Acceptance of Policies and Procedures stated hereinabove**

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

  
Signature of Applicant

**Voluntary Document No. 1 FOR SMOOTHER ACCOUNT OPERATIONS**

To, Betala Stock Broking Ltd.

**I / WE UNDERSTAND THAT THIS IS PURELY A VOLUNTARY DOCUMENT AND SHALL FORM PART OF THE NON MANDATORY DOCUMENTS OF MY KYC FORM. IN CASE IF ANY OF THE CLAUSES OF THIS DOCUMENT SHALL DILUTE YOUR RESPONSIBILITY AS A STOCK BROKER OR IN CONFLIT WITH ANY OF THE CLAUSES IN THE MANDATORY DOCUMENTS, RULES, BYE-LAWS, REGULATIONS, NOTICES, GUIDELINES AND CIRCULARS ISSUED BY SEBI AND THE STOCK EXCHANGES FROM TIME TO TIME, THE SAME SHALL STAND NULL AND VOID.**

1. I /We (herein after referred to as Client at some places) do hereby declare that I am /We are regular investor in the stock markets in India and as such I am /We are conversant with the laws, practices, rules, regulations, guidelines, circulars, notifications etc. prescribed by Securities & Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE).
2. I /We wish to transact through Canon Capital and Finance Ltd. (herein after referred to as CCFL / Stock Broker / Member / you) and as such this document will operate for any / all / both of the segments of NSE and/or BSE and whether CM Segment, F&O Segment and/or Currency Derivatives Segment or such other segment as the CCFL may become a member, in future, of these Exchanges and when I / We become client of that / those segment(s).
3. I /We understand and agree that you can debit my/ our accounts either for any additional services provided by you as per my / our oral requests depending upon opening of my /our relevant account(s) or as may be required in compliance with applicable provisions of law.
4. I /We further declare that I am /We are aware of the illegal practices, if any, that may be prevalent in the Stock Market and I/We assure you that I / We will not indulge into the same.
5. I /We further declare that I /We will not carry out any unfair trade practices such as Synchronized Deals, Structured Deals, Circular Trading, Insider Trading in the Capital Market and / or F&O Market and /or Currency Derivatives Market.
6. I / We further declare and confirm that I / We will not place any order or carry out any trades / transactions on the Exchange which will reflect as an arrangement for profit or loss transactions or cross deals. Further, all the orders placed on the Exchange through you, will be in the normal market at normal / prevailing market prices and only in Liquid Securities / Scrips and not at unrealistic

prices where there is corresponding underlying securities positions in the cash or futures segment of the Exchange. In case, any of my / our transactions being declared as violative to any rules / regulations / byelaws / circulars / directions / guidelines etc of the Exchange / SEBI / SCRA, I /We will be solely responsible for all penalties /charges / damages etc levied from you by the Exchange and accordingly do hereby undertake to reimburse/ pay the same to you.

7. I /We further declare and confirm that the shares / securities provided / being provided to you are generally for the purpose of availing exposure limits / margin limits / towards collaterals in F & O Segment of the Exchange.
8. I am / We further declare that as on the date of registration as your client, I am / We are eligible to transact in the securities market as per applicable rules, regulations, byelaws, circulars, guidelines etc. of SEBI & NSE have not been banned / restrained to transact in the securities market by any Exchange or statutory authorities and whatever permissions / prior permissions, as may be required from government authority(ies) have been obtained by me/ us.
9. I /We hereby further declare that I am /We are aware of the following provisions of laws applicable to the Securities Market as may be applicable from time to time.
  - (A) Section 11 of the SEBI Act, 1992 read with 11B interalia prescribed that 11 (4) without prejudice to the provisions contained in subsection (1) (2) (2A) and (3) of 11B , the Board may, by an order for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completions of such investigation or inquiry, namely restrain person from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities.
  - (B) Section 4 Prohibition of manipulative, fraudulent and unfair trade practices
    - (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practices in securities.
    - (2) Dealings in securities shall be deemed to a fraudulent or an unfair trade



Signature of Applicant

practices if it involves fraud and may include all or any of the following namely:-

- (A) indulging in an act which creates false or misleading appearance of trading in the securities market;
- (B) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
- (C) advancing or agreeing to advance any money to any person thereby inducing any other person to offer to buy any security in any issue only with the intention of securing the minimum subscription to such issue;
- (D) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;
- (E) any act or omission amounting to manipulation of the price of a security;
- (F) publishing or causing to publish or reporting or causing to report by any person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;
- (G) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;
- (H) selling, dealing or pledging of stolen or counterfeit security whether in physical or dematerialized form;
- (I) an intermediary promising a certain price in respect of buying or selling of a security to a client and waiting till a discrepancy arises in the price of such security and retaining the difference in prices as profit for himself;
- (J) an intermediary providing his clients with such information relating to a security as cannot be verified by the clients before their dealing in such security;
- (K) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;
- (L) an intermediary reporting trading transactions to his clients entered into on their behalf in an inflated manner in order to increase his commission and brokerage;
- (M) an intermediary not disclosing to his client transactions interceded into on his behalf including taking an option position;
- (N) circular transactions in respect of a security entered into between intermediaries in order to increase commission to provide a false appearance of trading in such security or to inflate or depress or cause fluctuation in the price of such security;
- (O) encouraging the clients by an intermediary to dealing in securities solely with the object of enhancing his brokerage or commission;
- (P) an intermediary predating or otherwise falsifying records such as contract notes;
- (Q) an intermediary buying and selling securities in advance of a substantial client order or whereby a future or option position is taken about an impending transaction in the



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same or related futures or options contract;

- (R) planting false or misleading news which may induce sale or purchase of securities.

I/We hereby further declare that I/We will not indulge either directly or indirectly in any of the above mentioned fraudulent or unfair trade practices either individually or in concert with other persons/entities. In the event of any of the above fraudulent or unfair trade practices is noticed by the Exchange or Regulatory Authorities, then I/We shall be solely responsible for such acts as noticed and you shall not be responsible for my illegal and fraudulent and unfair trade practices in the capital market segment and Futures and Options segment of the exchange.

12. I / We further declare that I / We will not give any third party shares for settlement of my/our obligations to the Exchange. I /We further understand and agree that, for any reason, if any third party delivery is delivered to you, without prejudice to your right to reject the same upfront and without my/our notice / intimation or without your right to levy any further charges / auction charges / penalties upon me/ us as you may think fit and proper, at my/our sole risk, you can take such action as you may deem fit and proper including but not limited to suspension of my trading code or withholding of funds and/or securities.
13. I/We further declare that I /We will not receive or give any monies in cash or in kind for completing the settlement obligations, either pay-in or pay-out or margin etc. to the Exchange.
14. I / We declare and confirm upfront that the securities delivered, if any, towards margin / collaterals / pay-in obligation etc. shall absolutely be free from any lien / encumbrances of whatsoever nature.
15. Considering my / our account to be maintained on Running Account basis, I /We also request you, subject to settlement on monthly or quarterly basis as per my / our wishes, to consider the balances in my / our running funds and securities account with you for the purpose of margins / any other obligations due to you. In view of the above it would be proper for you to release the funds and securities due to us/me on our/my specific request, either

written or oral and only to the extent demanded by me/us. You may charge the cost of holding securities to our/my account with you, if any and I /We will make payments to you for bills raised by you or by way of journal voucher entries or other accounting entries in my/ our client ledger maintained in your books of accounts.

16. (A) I/We do hereby agree and declare that I am / We are aware that the Exchanges require the Stock Broker to maintain the client account for each Exchange/ segment separately. For this purpose Stock Broker may allocate the payment received from client and payments made to the client to any of the account of the client for any exchange/ segment. Authorization of Inter segment/ Inter Company ledger Account/shares & securities / balance transfer: I/We hereby authorise the Stock broker to transfer my/ our debit/credit ledger account balances / shares & securities arising during the course of business in my/our account to my/our account in any of the segment of the Stock broker or the Stock broker's group company i.e. BETALA STOCK BROKING LTD., Any segment(s), as often as may be required. The transfer may be completed by passing journal entries transfer of the shares in the books of the Stock broker. The client can verify such transfer based on review of ledger account copies provided by the Stock broker. Not withstanding anything contrary contained in the agreement between us, I/ We here by request member to transfer, sell of securities of any segment (s), make adjustments and/or to set off a part or whole of the securities placed as margin and/or any surplus funds in any of my/our account/(s) maintained with you against the outstanding dues payable if any in any segment, by me/ us in any of my/our account(s) maintained with member(s). Member will have right to lien on the credit balance in any of my/our accounts. Any entries passed by member in accordance with this authorization shall be binding on me/us.
- (B) In consideration of you- the Stock Broker agreeing to this, I /We the Client agrees that if any amount is overdue from me /us, you may charge delayed payment charges as per your RMS policy from time to time and thus, the over dues including the interest on delayed payment, shall be adjusted by you



Signature of Applicant

from dues to be payable to me/ us . Thus I/ We as your Client authorizes you - the Stock Broker to make adjustments and/or to set off a part or whole of the securities placed as margin/collateral, and/or any credit in any account as a Client so maintained with you - the Stock Broker or against the outstanding dues in any of the account maintained by me/ us with the Stock Broker. I/We further authorize you - the Stock Broker to sell the securities to recover any dues payable by me/ us to the Stock Broker. This authorization shall be treated as standing authorization and any entry passed or adjustments done by you - the Stock Broker to give effect to this authorization shall be binding on me / us as your Client. I /We, as your Client understands and confirms that this authorization forms basis for you as a Stock Broker to give trading limits /exposure limits, and for any other facilities offered by you to me / us. I/We also understand that according to the rules byelaws and regulations of the exchange and SEBI, you -the Stock Broker, are required to maintain segment wise / exchange wise account of the Client.

- (i) Money pay-in to Stock Broker: The client agrees that all payments due to the Stock Broker will be made within the specified time and in the event of any delay, the Stock Broker may refuse, at their discretion, to carry out transactions on behalf of the client. The client agrees that alternatively, the Stock Broker may square off such transactions or close-out the position and the costs/losses if any, thereof shall be borne solely and completely by the client. All payments made to the Stock Broker shall be from the account of client and shall not be from any third party. It is also agreed and confirmed that the stock broker as informed me/us that third party delivery / cheque will NOT be accepted but if Stock Broker has inadvertently accepted any third party payment given by me/us directly to the bank A/c of Stock Broker, without its knowledge or information, the same shall be considered as sole bonafide purpose of the Client so as to meet any obligation of the client

and no claim of such payment shall lie of the person from whose bank account the payment has been made and the client agrees and confirms the sole responsibility of what so ever nature, if any, imposed upon the stock broker by Exchange or any other authority.

- (ii) Money pay-out by Stock Broker: Notwithstanding anything contained in any other clause, if any, between the parties hereto, the client hereby authorises the Stock Broker to release all payments due to him from the trading account maintained with the Stock Broker, against specific request in that behalf made in the manner and following the procedure laid down in the terms and conditions. For the purposes of this clause, any request made through or on the web-site or otherwise intimated shall be sufficient for the Stock Broker to execute an instruction. Any payment made to the designated bank account or in the name of the client as per information available with the Stock Broker shall be deemed to be payment made to the client.
- (iii) Securities pay-in to Stock Broker: Any delivery to be effected to the Stock Broker for a trade, must be made well within the prescribed time limit as per settlement schedule of the exchange. However, stock broker may accept or reject any late delivery than as stated above. Losses, if any, that may accrue in the event of default in completing the delivery on the Exchange by the Stock Broker as a result of any delay in the delivery by the client, shall be borne solely and completely by the client. Losses for the purposes of this clause shall include auction debits/ penalty charges, if any incurred as a result of non-delivery of securities on the settlement date on the Exchange. No third party shares will be sold through the Stock Broker or third party payment should be made to Stock Broker and client will be solely responsible for any violation. If the client has sold any securities in



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anticipation of receipt of securities from the exchange against purchase in previous settlements, such sale shall be at the sole risk as to costs and consequences thereof of the client.

- (iv) Securities pay-out by Stock Broker: The Stock Broker may directly credit the demat account of the client with the depository participant Provided that if the order placed by the client through the web-site or otherwise is for securities which are in the no-delivery period, such securities shall be credited to the trading account of the client only at the time of settlement of trades, as per the schedule of the Exchange. However, if any sum is due from the client the Stock Broker may withhold the credit of securities to its own beneficiary demat account or the demat account of the client.

- (v) Securities shortages in pay in and pay out: The client agrees to be bound by the guidelines, including the rules pertaining to the adjustment of shortages in the client's position in securities transacted on behalf of the client, by the Stock Broker, either through orders placed through the use of the IBT or e-broking services and dial-up services of the Stock Broker or otherwise as may be issued by the Stock Broker from time to time. In case of internal shortage of securities, any entry passed to the account of Client in accordance with practice consistently followed by the Stock broker across all its Clients as may be consonance with stock exchange market / practices, shall be binding on the Client.

- (vi) Stock Broker is entitled to consider any sum or money or security lying to the credit of the Client as margin received.

17. I/We have a beneficiary account with ISSBPL DP bearing demat account no. . I/We find it extremely inconvenient to give cheques against your depository bills. Hence, I /We hereby authorise you, subject to applicable provisions, if any, to debit the trading account maintained with you for the debit charges payable by me/ us to you as a DP for

providing depository services to my/our trading account balances.

18. As regard the placement of orders, although you had insisted on written instruction for placing orders, considering the practical difficulties faced by me/us in complying the same, I /We would request you to accept orders placed by any other means other than written.
19. I /We have no objection if due to punching errors you might have to change the client codes for trade done as the circumstances may warrant, as per the rules and regulations of the Exchange.
20. I am / We are aware, agree and confirm that for non-payment of any margin money / pay-in obligations, you - the stock broker may sell all / any of the securities held by broker towards margin / collaterals /credit balance lying in my/ Our client's account or may square-up all/any open position to fulfill these requirements as the circumstances may warrant.
21. I /We specifically consented not to Indulge into any off-market transactions leading to dubba-trading.
22. I /We have also noted the details of your compliance officer including your designated E-mail ID for complain / grievances redressal.
23. I/We shall not indulge in any sub-broking activities nor issue bills /contracts/confirmation notes to anyone else for trades done in my / our client code without obtaining SEBI or Exchange Registration in my/our name.
24. I / We as your client agrees that you (stock broker), shall not be liable or responsible for non execution of orders placed through trading terminals / website or through any other mode due to the failure of any system or link out side your control or any other reason whatsoever or for non-performance of your obligations due to any reason whatsoever including but not limited to natural calamities or civil commotion, war, strikes, government/regulatory action, exchange or market rulings, suspension of trading. I /We are aware and agree that you (stock broker) also reserves the right of refusing to execute any particular transaction in your absolute discretion if you found the same to be violative to any provisions or is/are not in consonance with your RMS policy.
25. I / We as your client agrees that any failure by you as a Stock Broker to exercise or enforce any rights conferred upon you by this document/or as per KYC document executed between us, shall not be deemed to be a waiver of any such rights or operate so as to bar the exercise or enforcement thereof at any subsequent time or times.



Signature of Applicant

26. I / We, as a Client shall be responsible for all orders, including orders that may be executed without the required margin, whether or not you as a Stock Broker intimated me /us about such shortfall in margin, shall instantaneously make up the shortfall either through delivery of shares in the event of sale or credit the required fund in the bank account via personal cheque or money order or account transfer or any other mode accepted to you as per your RMS policy from time to time.
27. I /We as a client, hereby agrees and indemnifies, and shall always keep you (Stock Broker) indemnified against all such action and / or claims, costs, charges damages, losses and expenses which may be incurred, suffered and / or sustained by you (Stock Broker) due to my/our mistake or non-compliance of any rules, regulations, circulars or other provisions or with respect to any third party cheque(s) and / or delivery of shares, which may be given by me / us as your client to be credited in my /our account as your client.
28. I /We as your client do hereby agrees with respect to Compliance with prevention of money laundering act, 2002 (PMLA), as amended till date and from time to time and rules, regulation and guidelines framed hereunder and confirms that all the information which may be required by you (stock broker) to enable you to comply with the provisions of the PMLA and the rules, regulation and guidelines framed there under has been disclosed including issues related to "beneficial ownership", if any and also undertakes to promptly provide the same on an on-going basis whenever required. As also I / We hereby agree to keep you (Stock Broker) informed of any change in the information earlier provided in/ through Know Your Client Form or otherwise in this regard immediately in writing.
29. All fines / penalties and charges, exemplary damages etc. levied upon you due to my / our acts / deeds or transactions including illegal acts or unfair trade practices etc. as may be levied by the Exchanged) and suffered by the Member, shall be passed on to me / us and recovered by you from my /our account either by way of debiting the same or otherwise.
30. If permissible under other provisions of KYC documents executed between us or as per rules, regulations, byelaws, circulars or guidelines or other provisions of Exchanges and/or SEBI, I am / We are aware that you may charge delayed payment charges by whatever name called.
31. Close out in case of internal shortage: I /We, your Client hereby agrees that if I /We have short delivered any securities against my / our pay-in obligations which resulted into internal shortage i.e. buys position of another client of the stock broker and couldn't be auctioned in the market than close out price @ % or such other percentage being generally applied by the Stock Broker for other clients, above the closing price on the Auction Day or Closing price of first trading day of the settlement whichever is higher. I /We further specifically agrees that without prejudice to the Member's other rights including the right to refer a matter to arbitration, the member shall be entitled to liquidate / close out all or any of my / our open position. Any and all losses, financial charges and /or incidental expenses incurred by the member on account of such liquidation / closing out shall be reimbursed by me / us or deductible by the member from the monies and /or collateral margin of mine/ ours, brokerage of the subbroker available with the member.
32. I /We consent to adjust debit / credit balances in between my / our various accounts viz. F&O Initial / Upfront Margin Account, F&O M TO M Account, CM Segment Account, Margin Account or such other accounts maintained with you pursuant to opening of this trading codes with you. The same can be done in your books of accounts by passing JV Entries or in such other manner as may be permissible.
33. Sharing of Information : I/We agree to immediately furnish information to the member in oral /writing or the member suomoto (on its own) in receipt of such information in the event that is likely to have an adverse effect of my /our financial position or any restrictions or adverse findings or actions, if any, by any statutory authority. Upon receipt of such information, the member shall be entitled to take such action as it may consider necessary in order to protect its own interest, including without limitation, liquidation / closing out all / any outstanding positions of mine / ours. Any and all losses, financial charges and /or incidental expenses incurred by the member on account of such liquidation / closing out shall be make good or reimbursed by me/ us to the member.
34. `Investment Advice : The Client acknowledges that the Member shall not be liable to provide him with any legal, tax, investment or accounting advice or advice regarding the suitability or profitability of a security or investment. The Client also acknowledges that the Member's Employees are not authorized to give any such advice and that the

  
Signature of Applicant

Client will not solicit or rely upon any advice from member or any of its employees. The Client agrees that in the event of the Member or any employee or official of the member providing any information to the client, he / she / it may act upon the same at sole risks, costs and consequences and the member shall not be liable / responsible for the same. The client further agrees to always keep himself/herself/itself abreast of all requirements to be complied with by him/her/it under various laws including Foreign Exchange Management Act (FEMA), 1999 wherever applicable and the rules, regulations, directions, circulars, notifications, guidelines etc. issued under or pursuant to the relevant laws from time to time.

35. The Client shall not hold CCFL responsible for any losses incurred on account of failure of System/Risk Management System/Network Congestion/Loss of Connectivity from Dealing Office / Place to CCFL Group or from CCF L Group to the Exchange.
36. Restrictions on Regulation of Dealings: The Stock Broker shall at its discretion decide, from time to time, the volume of business which the Client (introduced directly or by the sub-broker or authorised person) may transact during any trading day on NSE, exchange wise or segment wise or in combine. Notwithstanding such as an understanding / arrangement, the Stock Broker shall have absolute discretion to reduce the volume of business of the Client or restrict dealings by the Client as per RMS policy from time to time, inter-alia, having regard :
- To the volatility in the market ;
  - In view of impending price sensitive announcements ;
  - Any restrictions in relation to volume of trading / outstanding business / margins stipulated by the Exchange / Stock Broker, political instability in the Country etc ;
  - presence of any other price sensitive factors ;
  - Failure by the Client to provide / maintain the applicable collateral/margin; and/or
  - Delays by the Client in meeting his/her/its obligation / dues relating to the business / dealings done under this present.

### 37. REPRESENTATIONS AND WARRANTIES :

- I/We agree that I / We have the required legal capacity and am/are authorized to enter into agreement and am/are capable of performing my/our obligations and undertakings pursuant to this KYC Form submission and allotment of Client Code by the Stock Broker/CCFL.
- Any instructions given by my/our Authorised representative to you -the Stock broker or to Stock Broker's representative, shall be binding on me/us.
- I/We specifically agree that I am /We are trading for my/our own account and shall not act as a Sub-broker of the Stock Broker without the prior written permission of the Stock Broker and without obtaining the certificate of registration from the Securities and Exchange Board of India (SEBI) and/or respective Exchange(s).
- I /We specifically agree and confirm that all details about me/ us as may be provided vide this KYC form are true and correct and complete in all respect as per my / our knowledge and belief. I/We hereby give this declaration to you without any coercion, with sound mind and voluntarily to you which shall be part of my Client Registration Form and In case any information / details found to be false / untrue / misleading / misrepresenting, I am/We are aware that I/ We may held liable for it.

I /We understand and am / are aware that the aforesaid consents are purely voluntary and have been given to you for smoother operations of my / our client account with you as our broker. Further, these standing instructions are valid from the date the client / trading account is opened with you and will be valid and operational until revoked by me/us.

 Signature of Applicant

Date :   -   -

## Voluntary Document No. 2 FOR RUNNING ACCOUNT AUTHORISATION

To, Betala Stock Broking Ltd.

**I UNDERSTAND THAT THIS IS PURELY A VOLUNTARY DOCUMENT AND SHALL FORM PART OF THE NON-MANDATORY DOCUMENTS OF MY KYC FORM. IN CASE IF THE SAME SHALL DILUTE YOUR RESPONSIBILITY AS A STOCK BROKER OR IN CONFLIT WITH ANY OF THE CLAUSES IN THE MANDATORY DOCUMENTS, RULES, BYE-LAWS, REGULATIONS, NOTICES, GUIDELINES AND CIRCULARS ISSUED BY SEBI AND THE STOCK EXCHANGES FROM TIME TO TIME, THE SAME SHALL STAND NULL AND VOID.**

**1. About Voluntary Document :**

I/We do hereby declare and confirm that I/We have thoroughly read and understood the voluntary document attached which forms part of Non-mandatory Documents of this KYC for mand do accord my / our consent for the same .

**2. About Running Account Authorisation:**

I/We do hereby specifically declare and confirm that my/our account is to be maintained in Running Account mode and as such request for the same. I/We also specifically understand and agree that :

- (a) This is only a voluntary authorization that may be revoked by me at any time.
- (b) This authorization shall remain in force until and unless the same is revoked by me.
- (c) This authorization is signed by me/us only and not by my/our authorized person/POA holder.
- (d) For my/our outstanding obligation / balance on the settlement date, you may retain the requisite securities / funds towards such obligations and may also retain the funds expected to be required to meet margin or other obligations in compliance with applicable circulars, guideline, rules, regulations, byelaws etc. of the Exchange and/or SEBI and as may be calculated in the manner specified by the exchanges.
- (e) I / we request you to settle my fund and securities account once in a calendar quarter / once in a calendar month. (Please strike off which is not applicable)
- (f) Any dispute from my/our end, arising from statement of account or settlement, shall be brought to your notice in writing by me/us

within 7 days of receipt of funds/securities /statement as the case may be.

- (g) Periodic settlement of running account may not be necessary for margin trading facility or funds received towards collaterals / margin in form of Bank Guarantee, Fixed Deposit etc.
- (h) In case of my/our request / demand, you shall transfer the funds/securities within 1 working day if lying with you or within 3 working days if lying with Exchange/ Clearing House.
- (i) There shall not be any inter-client adjustments for the purpose of settlement of my/our running account.

**3. About Electronic Contract Notes etc. :**

I/We do hereby request to receive ECN, statement of accounts, daily margin statement and such other record/information/notice etc. to my/our E-mail Account / ID as mentioned in KYC form. In case of any change, I /We shall promptly communicate in writing to you about the same.

**4. About SMS on mobile by Exchanges. :**

I/We do hereby declare and confirm to receive SMS about my/our position, margin, ledger balance and such other brief information as may be voluntarily sent / provided by you on my / our mobile no. as mentioned in KYC form. In case of any change therein, I /We shall promptly communicate in writing to you about the same.

**5. Regarding clause 4 & 5 above :**

I/We do hereby declare and confirm that the details of e-mail id and mobile no. as may be provided by me/us in KYC form pertains to me / us or to my / our family members only. (family members means my spouse, dependent children, dependent parents only) Accordingly, I/We do hereby request you to upload the same as a part of UCC / UCI details to respective Exchange(s).

  
Signature of Applicant

Date :   -   -

## Voluntary BASIC INFORMATION ABOUT AML MEASURES FOR GENERAL GUIDANCE OF CLIENTS

### Background :

In response to mounting concern over money laundering world wide, G-7 summit as held in Paris in the year 1989, a policy making body having Secretariat Organisation for Economic Co-operation and Development (OECD) was established, to work for generating necessary political will / willingness to bring about national legislative and regulatory reforms to combat money laundering and terrorist financing. World Bank and International Monetary Fund (IMF) have also established a collaborative framework in with Financial Action Task Force (FATF) in this regard. Our country (India) is also one of the member and has been accorded "Observer" status.

### Objectives :

The brief objectives of these provisions is to establish general framework for the fight against money laundering, terrorism, financial crimes and corruption.

- Ensuring that financial institutions are not vulnerable to infiltration or abuse by organized crime groups
- Building capacity to fight terrorism and trace terrorist money
- Meeting binding international obligations and avoiding the risk of sanctions or other actions by the international community.
- Avoid becoming heaven for criminals
- Securing a more transparent and stable financial system that is attractive to foreign investors

### What is Money Laundering ?

- To concealing or hiding financial assets with a view to used it without detection of its source that is illegal activity which produced it.
- Through money laundering, the launder transforms the monetary proceeds derived from criminal activity into funds with an apparent legal source.
- It is the process by which criminals try to hide and disguise the true source / origin and ownership of proceeds of their illegal/criminal activities.
- It may be conversion of illegally earned income in to another form so that it appears as a legitimate income.
- The term "Money Laundering" is also used in relation to financing of terrorist activity (where funds may / may not originate from crime).
- It is a medium through which dirty money insert in the financial system and make such money look clean.
- Money is circulated around the financial system in such a way that its ancestry gets hidden.

### Activities that can be considered as Illegal / Criminal Activity:

- Corruption • Bribery • Counterfeiting and Forgery
- Smuggling • Extortion • Prostitution • Gambling
- Robbery • Fraud • Kidnapping • Tax Evasion • Drug Trafficking

### Various stages of Money laundering:

- Placement:** It is a initial stage in which money from criminal activities is placed in financial institution. It may be through various methods viz. arranging or breaking up currency transactions in to portion which falls below reporting threshold for specific purpose to avoid reporting requirements
- Layering :** It is a process of conducting a complex series of financial transactions with a purpose of hiding origin of money and hindering any attempt to trace the funds. It may include multiple trades for security, Purchase of financial product such as Life Insurance or purchase of legitimate businesses.
- Integration :** Last and final stage in the re-injection of the laundered proceeds back in to the economy in such a way that they re-enter the financial system as normal business funds.

### Consequences of Money Laundering :

- Finances terrorism • Encourage crime
- Endangers society at large • Weakening of macro economic factors of country • Affects the integrity of the financial system • Government control on economy reduces • Weakening of Law & Order

### Indian Framework :

India has also framed, "The Prevention of Money Laundering Act, 2002" (PMLA) which came into effect w.e.f. 01.07.2005. A separate Foreign Intelligence Unit (FIU) is also established as a central monitoring agency / central repository to combat Money Laundering. Necessary notifications / rules / guidelines / circulars / recommendations etc. are also issued and being issued by various regulatory authorities including SEBI from time to time.

### Applicability of PMLA:

The provisions of the Act are applicable to Banking Company, Financial Institution and Intermediary (which includes, stock broker, sub-broker, share transfer agents, portfolio manager and other intermediaries associated with Securities Market and registered under section 12

of SEBI Act, 1992.) All the aforesaid entities have to maintain a record of all the transactions, its nature and value involved. Such transactions shall include :

- (a) All cash transactions > Rs. 10.00 lacs or its equivalent in foreign currency
- (b) All integrally connected series of cash transactions < Rs. 10.00 lacs or its equivalent in foreign currency within one calendar month
- (c) All suspicious transactions

#### Suspicious Transactions :

Means a transaction, whether or not, made in cash which, to a person acting in good faith,

- (a) Gives a rise to a reasonable ground of suspicion that it may involve the proceeds of crime
- (b) Identity verification or address seems difficult or found to be forged / false
- (c) Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.
- (d) Unusual and unexplained large value of transaction
- (e) Unusual and unexplained activity in dormant accounts\
- (f) Transfer of large sums of money to / from overseas locations.
- (g) Appears to be made in circumstances of unusual or unjustified complexity
- (h) Appears to have no economic rationale or bonafide purpose.
- (i) Asset Management services where the source of the funds is not clear or not in keeping with apparent standing / business activity

#### Obligation of the Customer / Clients :

Always provide complete and correct details during account opening process like : • Address Proof • Identity Proof • PAN • Income Details

Periodically update your: • Contact details • Financial details • Occupational details

The transactions executed should be commensurate with the disclosed income details. Provide requested explanations/details for suspicious transactions.

#### Ramifications / Consequences / Implications :

- (a) Money Launderer faces steep fines of double the amount of financial transaction, along with forfeiture of assets associated with laundered funds.
- (b) Whoever commits the offence of money laundering shall be punishable with rigorous imprisonment for a minimum term of 3 years extendable to 7 or 10 years and shall also be liable to fine which may extend to 5.00 lacs rupees.
- (c) Any kind of association with a criminal element can severely damage the reputation. It is in the best interests to keep names free of any criminal association.
- (d) Protect reputation by being informed about anti-money laundering rules and regulations.
- (e) If anybody sees activity that may indicate money laundering, report it to the Director, FIU India, 6 Floor, Hotel Samrat, Chanakypuri, New Delhi - 110021.

#### Disclaimer :

The Company (CCFL) does not take any warranty (express or implied) or assumes any legal liability / responsibility for the accuracy, completeness or usefulness of any information mentioned herein above which is prepared based on available information and for the sole purpose of general guidance and create awareness amongst the clients.

I /We have read and understood the aforesaid AML literature and in token of acceptance of the same, do hereunto put our signature.

  
Signature of Applicant

Date :   -   -

**Annexure-1 DECLARATION BY FIRM (SOLE PROPRIETORSHIP)**

(To be obtained o pre-printed Letter Head of the Firm)

To,  
Betala Stock Broking Ltd.  
704/1, Chinubhai Building, Revdi Bazar Crosslane,  
Ahmedabad-380 002.

Dear Sir,

I refer to the trading account opened with you in the name of \_\_\_\_\_  
and declare and authorize you as under :

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

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

  
Signature of Authorised Signatory

(Please sign with stamp of the firm)

Further I, the undersigned, am the sole proprietor of the firm and am solely responsible for the liabilities there of. I shall advice you in writing of any changes that takes place in the constitution of the firm and I will be personally liable to you for all the obligation that firm may incur in the course of dealing with you and undertake to personally discharge such liabilities.

Yours truly,

  
Signature of Authorised Signatory

(Please sign without stamp of the firm)

**Annexure-2 DECLARATION TO BE GIVEN BY PARTNERSHIP**

(To be obtained o pre-printed Letter Head of the Firm)

To,  
 Betala Stock Broking Ltd.  
 704/1, Chinubhai Building, Revdi Bazar Crosslane,  
 Ahmedabad-380 002.

Dear Sir,

We refer to the trading account opened with you in the name of \_\_\_\_\_  
 and declare and authorize you as under :

We recognize that a beneficiary account cannot be opened with a depository participant in the name of the partnership firm as per Regulations. To facilitate the operation of the above trading account with you and for the purpose of completing securities transfer obligations pursuant to the trading operations, we authorize you to recognize the beneficiary account No. \_\_\_\_\_ with Depository \_\_\_\_\_ having DP Id \_\_\_\_\_ opened as a joint account in the name of the partners of the firm. We agree that the obligation for shares purchased and / or sold by the firm will be handled and completed through transfers to/from the above mentioned account. We recognize and accept transfers made by you to the beneficiary account as completed discharge of obligation by you in respect of trades executed in the above trading account of the firm.

  
 Signature of Authorised Signatory

  
 Signature of Authorised Signatory

  
 Signature of Authorised Signatory

(Should be signed by all the partners of the firm)

**Annexure-3 AUTHORITY LETTER IN FAVOUR OF MANAGING PARTNER/(S)**

(To be obtained o pre-printed Letter Head of the Firm)

We the partner \_\_\_\_\_, a partnership firm,  
 having its office at \_\_\_\_\_ office address \_\_\_\_\_  
 city \_\_\_\_\_ state \_\_\_\_\_ hereby authorize Mr./Ms. \_\_\_\_\_ and  
 Mr./Ms. \_\_\_\_\_ to open a securities trading account in Securities,  
 Currency market and Derivatives segment and Multisegment on behalf of the firm M/s. \_\_\_\_\_  
 with the Trading Member Canon Capital and Finance Ltd. for sale and purchased of Securities etc. in Capital market/F&O  
 market/Currency market segment. He /She / They is/are authorized on behalf of the firm to deal in shares, debentures,  
 derivatives and the said Trading Member is hereby authorized to honor all instruction oral or written, given on behalf of  
 the firm by him/her/them.

Mr. / Ms \_\_\_\_\_ and Mr. / Ms. \_\_\_\_\_ is / are  
 authorized to sell, purchase, transfer, endorse, negotiate and / or / otherwise deal through Canon Capital and Finance  
 Ltd. on behalf of the firm M/s. \_\_\_\_\_

He / She / They is / are also authorized to sign, executed and submit such applications, undertakings, agreement and  
 other requisite documents, writings and deeds as may be deemed necessary or expedient to open account and give  
 effect to this purpose. However any partner/ authorised signatory (ies) can issue cheques from bank account (s) in favour  
 of Betala Stock Broking Ltd. client account for credit to Securities trading account of the firm with Betala Stock Broking  
 Ltd, even through his/their signature may not be available on the records of Betala Stock Broking Ltd. These cheques may  
 either be from the account of partnership firm or from individual account, the said amount so given shall be solely/  
 exclusively for the account of the firm maintained with Betala Stock Broking Ltd.

  
 Signature of Authorised Signatory

  
 Signature of Authorised Signatory

  
 Signature of Authorised Signatory

For, M/s. \_\_\_\_\_  
 Partner \_\_\_\_\_

For, M/s. \_\_\_\_\_  
 Partner \_\_\_\_\_

For, M/s. \_\_\_\_\_  
 Partner \_\_\_\_\_

**Annexure-4 DECLARATION OF JOINT FAMILY (HUF)**

(To be obtained o pre-printed Letter Head of the Firm)

To,  
 Betala Stock Broking Ltd.  
 704/1, Chinubhai Building, Revdi Bazar Crosslane,  
 Ahmedabad-380 002.

A/c No. \_\_\_\_\_

1. WHEREAS the Hindu Undivided Family of \_\_\_\_\_  
 (hereinafter referred to as 'the said joint said family') carrying on business in the firm name and style of at \_\_\_\_\_  
 or elsewhere (hereinafter to as 'the said H.U.F. firm'), have or desire to have Share Trading A/C with Betala Stock Broking Ltd. (herein after to as 'MEMBERS') we, the undersigned, hereby declare.
  - (a) that we are the present adult coparceners of the said joint family ;
  - (b) that Shri is the present Karta or Manager of the said joint Family.
  - (c) that we are entitled to trade in shares & open share Trading Account of the said Joint Family.
  - (d) that each one of us has full and unrestricted authority to act on behalf of, and bind, the said H.U.F. firm and all the present as well as future members, both adults and minors, of the said joint family, howsoever constituent from time to time.
2. We confirm that the affairs of the said joint family and the business of the said H.U.F. firm are carried on mainly by the Karta/Manager, the said Shri \_\_\_\_\_ on behalf and in the interest and for the benefit of all the coparcener of the said joint family. We hereby authorize the Karta/Manager Shri \_\_\_\_\_ on behalf and in the interest and for the benefit of all the co-parcener of the said joint family. We hereby authorize the Karta/Manager Shri \_\_\_\_\_ on behalf of the HUF to deal on Capital Market Segments (CM), Futures and Options segments (F&O), Retail Debt Market Segment (RDM), Currency Derivatives Segment (CDS), Securities Lending and Borrowing Scheme (SLBS) or any other segment that may be introduced by NSE/BSE in future and the said Trading Member is hereby authorized to honor all instructions oral or written, given by him on behalf of the HUF. Mr. \_\_\_\_\_ is authorized to sell, purchase, transfer ,endorse, negotiate documents and / or otherwise deal through Canon Capital and Finance Ltd. On behalf of the HUF. He is also authorized to sign, execute and submit such applications, undertakings agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to open account and give effect to this purpose. We are however, jointly and severally responsible for all liabilities of the said HUF firm to the Member and agree and confirm that any claim due to the Member from the said H.U.F. firm shall be recoverable from the asset of any one or all of us and also from the estate of the said joint family including the interest thereon of every coparcener of the said joint family, including the share of the minor coparcener, if any.
3. We undertake to advise the Member in writing of any change that may occur in the Kartaship/Managership or in the constitution of the said joint family or of the said H.U.F. firm and until receipt of such notice by the Member, the Member will be entitled to regard each of us as a member of the said joint family and as a partner of the said H.U.F. firm and all acts, dealings and transactions purporting to have been done on behalf of the said joint family or of the said joint family and the said H.U.F. firm and on our respective estates. We shall, however, continue to be liable jointly and severally to the Member for all dues and obligations of the said H.U.F. firm in the Member's book on the date of the receipt of such notice by the Member and until all such dues and obligations shall have been liquidated and discharged.
4. We recognize that a beneficiary account can be opened with Depository Participant only in the name of Karta as per regulations. To facilitate the operation of the above share trading account with you and for the purpose of completing the share transfer obligations pursuant to the trading operations, we authorize you to the beneficiary account as completion of obligations by you in respect of trades executed in the above trading account of the H.U.F.
5. I agree that the obligations for share purchase and / or sale by the H.U.F. Will be handled and completed through transfers to / from the above mentioned account. I recognize and accept transfers made by you to the beneficiary account as completion of obligations by you in respect of trades executed in the above trading of the H.U.F.

6. The names and dates of birth of the present minor co-parceners of the said joint family are given below. We undertake to inform you in writing as and when each of the said members attains the age of majority and is authorized to act on behalf of, and bind, the said H.U.F firm.

Name of the minor	Father's Name	Date of Birth

7. We have received and read and read a copy of the conduct of cash and derivatives Trading Accounts and we agree to comply with and be bound by the said rules now in force or any changes that may be made therein from time to time.

**To be Filled by HUF**

**Declaration from All Major Co-Parceners of Joint Hindu Family**

Sr. No.	Name	Date of Birth	Relationship with Karta	Sex
1				
2				
3				
4				
5				
6				

Yours faithfully,

(Full personal signature of Karta and all major co-parceners)

 Signature

 Signature

 Signature

 Signature

 Signature

 Signature

**Annexure-5** **FORMAT OF BOARD RESOLUTION IN CASE OF CORPORATE****(To be obtained o pre-printed Letter Head of the Firm)**

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF M/S. \_\_\_\_\_

\_\_\_\_\_ Ltd. AND HAVING ITS REGISTERED OFFICE AT \_\_\_\_\_

\_\_\_\_\_ HELD ON \_\_\_\_\_ DAY \_\_\_\_\_ OF 201\_\_\_\_\_

AT \_\_\_\_\_ A.M./P.M.

Resolved that the consent of the Board be and is hereby given that the company be registered as Constituent with Betala Stock Broking Ltd. , Member of the NSE. for the purpose of dealing on Capital Market Segments (CM), Futures and Options segments (F&O), Currency Derivatives Segment (CDS) or any other segment that may be introduced by said Trading Member be and is hereby authorized to honor instructions, oral or written, given on behalf of the company by any of the under noted authorized signatories.

Sr. No.	Name	Designation
1		
2		
3		

Who is /are authorized to sell, purchase, transfer, endorse, negotiate documents and / or otherwise deal through Betala Stock Broking Ltd. on behalf of the Company.

RESOLVED FURTHER THAT Mr. \_\_\_\_\_ and / or Mr. \_\_\_\_\_, Directors and/or Mr. \_\_\_\_\_




Authorized Signatory of the Company be and are hereby authorized to sign, execute and submit such applications, undertakings agreements and other requisite documents, writings and deeds as may be deemed necessary or expediently to open account and give effect to this resolution. AND RESOLVED FURTHER THAT, the Common Seal of the Company be affixed, wherever necessary, in the presence of any Directors or of any one director and Company Secretary, who shall sign the same in taken of the presence.

For, \_\_\_\_\_ Ltd.

Chairman / Company Secretary

(Signature to be verified by the Banker)

**Specimen Signatures of the Authorized Persons**

Sr. No.	Name	Signature
1		
2		
3		

The above signatures to be attested by the person singing the resolution for account opening on behalf of the Company.

**Annexure-6 DECLARATION TO BE GIVEN BY CORPORATE**

(To be obtained o pre-printed Letter Head of the Firm)

To,  
 Betala Stock Broking Ltd.  
 704/1, Chinubhai Building, Revdi Bazar Crosslane,  
 Ahmedabad-380 002.




Date : \_\_\_\_\_

Dear Sir,

We hereby certify that the following resolution of the Board of Directors of \_\_\_\_\_ Limited was duly passed at the Board meeting held on dated \_\_\_\_\_ that

1. The company is empowered to deal in equities, derivatives, currency, debentures, debt products and agrees to the terms of the Member as per Member Constituent Agreement.
2. The Member is hereby authorized to act on the oral or written instructions of any one or more of the following persons He/they is/are authorized to operate the account and to deal in equities, derivatives, currency and to sell , purchase, transfer, endorse, negotiate documents under otherwise deal through Betala Stock Broking Ltd. on behalf of the Company

\_\_\_\_\_ He/they is/are also authorized to sign, execute and submit such applications, undertakings agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to open account and give effect to this purpose.

Sr. No.	Signature	Name(s)
1		
2		
3		

  
 Signature

Signature of Company / Director

  
 Signature

Signature of Company Secretary

(Please attach a certified true copy of the resolution)

**Annexure-7****LETTER OF AUTHORITY AND FOR ADJUSTMENT  
OF BALANCES IN GROUP/FAMILY ACCOUNTS**

To,  
Betala Stock Broking Ltd.  
704/1, Chinubhai Building, Revdi Bazar Crosslane,  
Ahmedabad-380 002.

Date : \_\_\_\_\_

Sub : Letter of Authority – NSE CM/ NSE F&O/ NSE CDS/ BSE CM/ BSE F&O/NSDL DP (All Segments)

Dear Sir,

I/We am/are dealing in securities with you at NSE Capital Market Segment and Derivatives Segment and in order to facilitate ease of operations. We authorize you as under :

**1. Running Account:**

That I/We desirous of regularly dealing in CM and F&O/ Currency Derivative segment of securities and request you to maintain a Running Account for funds and securities on my/our behalf without setting the account on settlement of each transaction on my/our behalf. I/We further agreed with the stock broker all the Terms and Conditions of Running Account mentioned in SEBI Circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009 and further request you to retain all amount payable and securities receivable by me/ us until specifically requested by me/ us in writing to be settle or to dealt with in any other manner.






**2. Set off of outstanding:**

I/We authorize you to set off outstanding in any of my / our accounts against credits available or arising in any other accounts maintained with you irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange and / or against the value of cash margin or collateral shares provided to you by me / us.

**3. Delivery of order/ trade confirmation/ cancellation:**

I/We hereby authorize you not to provide me / us order confirmation / Modification / Cancellation Slips and Trade Confirmation slips to avoid unnecessary paper work. I/we shall get the required details from contract notes and confirmation issued by you.

**4. Adjustment of balances in Family Accounts (only CM Segment) :**

Sr. No.	Name of the Family Members / Associates	Client Code of Family Members / Associates	Signature of the Client
1			
2			
3			
4			
5			

I/We authorize you to adjust the credit balance available in my account of any segment against any debit balance of any segment outstanding in the account of above mentioned family members or any other party or company with whom /in which I'm otherwise interested or director in the aforesaid company (Names given below):

**5. Sub Letting of Terminal:**

I/We confirm that I/we will never sublet the trading terminal on any term of connectivity from my place to any other place without your prior approval.

**6. Inter Settlement of Securities:**

I/We am/are agreeable for inter-settlement transfer of securities towards settlements.

**7. Hold of funds Pay outs:**

I/We am/are agreeable for & authorise you to with hold funds pay-out towards all the applicable margins and debits.

**8. Fines & Penalties:**

All fines/penalties and changes levied upon you due to my acts / deeds or transactions may be recovered by you from my account.

**9. Charges & Balance Maintenance:**

I/We have a Trading As well as depository relationship with ..... Please debit the charges relevant with depository services and courier charges for sending physical contract notes & other documents from my/our trading account on monthly basis. I/We also agree to maintain the adequate balance in my/our trading account / pay adequate advance fee for the said reason.

**\* Strike off the clauses not relevant to you.**

Thanking you,

Yours faithfully,

  
Client Signature

## RUNNING ACCOUNT AUTHORIZATION

To,

Date : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Running Account Authorization

I/ We are dealing through you as a client in Capital Market and/ or Future & Option segment and /or Currency segment and/or Interest Rate Futures Segment and in order to facilitate ease of operations and upfront requirement of margin for trade, I /We authorize you as under.

- 1) I/We request you to maintain running balance in my account and retain the credit balance in any of my / our account and to use the unused funds towards my/our margin/pay-in/ other future obligation(s) at any segment(s) of any or all the Exchange(s)/ clearing Corporation unless I/We instruct you otherwise.
- 2) I/We instruct retain securities with you for my/our margin/pay-in/ other future obligation(s) at any segment(s) of any or all the Exchange(s)/ Clearing corporation, unless I/We instruct you to transfer the same to my/ our account.
- 3) I/We request you to settle my fund and Securities account once in every calendar Quarter or once in a calendar Month or such other higher period as allowed by SEBI/ Stock Exchange from time to time except the funds given towards collaterals / margin in the form of Bank Guarantee and /or Fixed Deposit Receipt.
- 4) I case I/We have an outstanding obligation on the settlement date, you may retain the requisite securities/ funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the Exchanges.
- 5) I/We confirm you that I will bring to your notice any dispute arising from the statement of account or settlement so made in writing within 7 working days from the date of receipt of funds/ Securities or statement of accounts or statement related to it, as the case may be at your registered office. After that I we shall have no right to dispute the transaction, funds and/ or securities ever and agree that you shall not be liable for any incidental loss/ damage caused due to retention of funds and /or Securities.
- 6) I/We confirm that I can revoke the above mentioned authority at any point in time by giving notice in writing.

Thanking you,

Yours truly,

  
Client Signature

Client Name : \_\_\_\_\_

Client Code : \_\_\_\_\_

## ACKNOWLEDGEMENT

From	
Name of Client	
Client Code	
Address	

To,  
Betala Stock Broking Ltd.  
704/1, Chinubhai Building, Revdi Bazar Crosslane,  
Ahmedabad-380 002.

## Sub : Acknowledgement of Rights and Obligation document

- 1) I / we do hereby confirm the receipt of copy of the duly completed KYC documents executed by me/us as your client.
- 2) I/we do hereby confirm the receipt of the tariff sheet, trading code/unique client code allotted to me/us including the E-mail ID furnished by me/us for the purpose of receiving electronic contract notes, statement of accounts and such other documents and as such have noted the User ID and Password given to me/us for the operations of the same through your website.
- 3) In case of non-receipt of the above or user ID & password for tracking any transaction through your Website : [www.betala.co.in](http://www.betala.co.in) I/we will promptly notify your compliance officer on (Phone)079-22125852 - [betalastock@yahoo.co.in](mailto:betalastock@yahoo.co.in)

  
Client Signature

Date : \_\_\_\_\_

## FOR OFFICE USE ONLY

Acknowledgement and confirmation of account Sent to Client via Hand Delivery / Courier on date : \_\_\_\_\_

\_\_\_\_\_ Official Signature \_\_\_\_\_.

## ACKNOWLEDGEMENT AND CONFIRMATION OF ACCOUNT

Respected Client,

We have opened your trading account No. \_\_\_\_\_ on \_\_\_\_\_ with us in the Segment of NSE/CM/ F&O / CDS / ALL in your name of \_\_\_\_\_ and your e-mail id address \_\_\_\_\_ for sending of your digital contract note with other information.

We thank you for choosing Betala Stock Broking Ltd.

  
Client Signature

Date : \_\_\_\_\_