



**RIGHTS AND OBLIGATIONS OF
STOCK BROKERS, AUTHORISED PERSONS AND CLIENTS**
as prescribed by SEBI and Stock & Commodity Exchanges

1.	The client shall invest/trade in those commodities / 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, Authorised person 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 brokers liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6.	The Authorised person shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).
CLIENT INFORMATION	
7.	The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form with supporting details, made mandatory by Commodity Exchanges / Stock Exchanges/SEBI from time to time.
8.	The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9.	The client shall immediately notify the stock broker in writing if there is any change in the information in the account opening form as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
10.	The stock broker and Authorised person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the 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 commodity / security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker however ensuring the regulatory requirements in this regard are complied with. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14.	The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15.	The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16.	Where the Exchange(s) cancels trade(s) suo motu 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 Clients 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 commodities / 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/commodities 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--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 stockbroker, Authorised person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
29.	In the event of demise/insolvency of the Authorised person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the Authorised person by the stock exchange and/or termination of the agreement with the Authorised person 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, Authorised person 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 clients 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 / commodity 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 / commodity 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.



43.	In addition to the specific rights set out in this document, the stock broker, Authorised person 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.
49.	The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

**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 / commodities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2.	The client is desirous of investing/trading in securities / commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities / securities trading through use of wireless technology. The Stock broker shall provide the Stock brokers IBT Service to the Client, and the Client shall avail of the Stock brokers IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock brokers 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 Brokers IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5.	The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the Stock brokers IBT System using the Clients 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 Brokers 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 brokers 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 brokers IBT System or Service or the Exchanges 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.

**Additional Clauses of Rights and Obligations as prescribed by SEBI and Commodity Exchanges
(Paragraph numbers as per Commodity Derivative Exchange Rights and Obligation Document)**

11.	<p>Requirements of professional diligence</p> <p>a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.</p> <p>b. professional diligence means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with</p> <p>i. honest market practice;</p> <p>ii. the principle of good faith;</p> <p>iii. level of knowledge, experience and expertise of the Client;</p> <p>iv. the nature and degree of risk embodied in the financial product* or financial service being availed by the Client; and</p> <p>v. the extent of dependence of the Client on the Member.</p> <p>*Commodity derivative contract</p>
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12.	<p>12 A. Protection from unfair terms in financial contracts**</p> <p>a. An unfair term of a non-negotiated contract will be void.</p> <p>b. A term is unfair if it -</p> <ul style="list-style-type: none">i. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; andii. is not reasonably necessary to protect the legitimate interests of the Member. <p>c. The factors to be taken into account while determining whether a term is unfair, include</p> <ul style="list-style-type: none">i. the nature of the financial product or financial service dealt with under the financial contract;ii. the extent of transparency of the term; <p>**contracts offered by commodity exchanges</p> <ul style="list-style-type: none">iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; andiv. the financial contract as a whole and the terms of any other contract on which it is dependent. <p>d. A term is transparent if it</p> <ul style="list-style-type: none">i. is expressed in reasonably plain language that is likely to be understood by the Client;ii. is legible and presented clearly; andiii. is readily available to the Client affected by the term. <p>e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.</p> <p>12 B.</p> <p>a. Non-negotiated contract means a contract whose terms, other than the terms contained in point 12 C. (given below) are not negotiated between the parties to the financial contract and includes</p> <ul style="list-style-type: none">i. a financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; andii. a standard form contract. <p>b. Standard form contract means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.</p> <p>c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a non-negotiated contract if so indicated by</p> <ul style="list-style-type: none">i. an overall and substantial assessment of the financial contract; andii. the substantial circumstances surrounding the financial contract <p>d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.</p> <p>12. C.</p> <p>a. The above does not apply to a term of a financial contract if it</p> <ul style="list-style-type: none">i. defines the subject matter of the financial contract;ii. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; oriii. is required, or expressly permitted, under any law or regulations. <p>b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non- occurrence of any particular event.</p>
13.	<p>13 A. Protection of personal information and confidentiality</p> <p>a. Personal information means any information that relates to a Client or allows a Clients identity to be inferred, directly or indirectly, and includes</p> <ul style="list-style-type: none">i. name and contact information;ii. biometric information, in case of individualsiii. information relating to transactions in, or holdings of, financial productsiv. information relating to the use of financial services; orv. such other information as may be specified.



	<p>13 B.</p> <p>a. A Member must -</p> <ul style="list-style-type: none">i. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;ii. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;iii. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;iv. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; andv. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete. <p>b. A Member may disclose personal information relating to a Client to a third party only if</p> <ul style="list-style-type: none">i. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;ii. the Client has directed the disclosure to be made;iii. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;iv. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;v. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member<ul style="list-style-type: none">1. informs the Client in advance that the personal information may be shared with a third party; and2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; orvi. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.- <p>c. Third party means any person other than the concerned Member, including a person belonging to the same group as the Member.</p>
14.	<p>14. A.</p> <p>Requirement of fair disclosure both initially and on continuing basis</p> <p>a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.</p> <p>b. In order to constitute fair disclosure, the information must be provided</p> <ul style="list-style-type: none">i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; andiii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services. <p>c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding</p> <ul style="list-style-type: none">i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;iii. existence, exclusion or effect of any term in the financial product or financial contract;iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;v. contact details of the Member and the methods of communication to be used between the Member and the Client;vi. rights of the Client to rescind a financial contract within a specified period; orvii. rights of the Client under any law or regulations. <p>14. B.</p> <p>a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures</p> <ul style="list-style-type: none">i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; andiii. any other information that may be specified. <p>b. A continuing disclosure must be made</p> <ul style="list-style-type: none">i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; andii. in writing and in a manner that is likely to be understood by a Client belonging to that category.



15.	<p>Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients</p> <p>a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.</p> <p>b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –</p> <p>i. the Client’s right to seek redress for any complaints; and</p> <p>ii. The processes followed by the Member to receive and redress complaints from its Clients.</p>
16.	<p>A. Suitability of advice for the Client Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Clients financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.</p> <p>a. A Member must -</p> <p>i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and</p> <p>ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.</p> <p>b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.</p> <p>c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –</p> <p>i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and</p> <p>ii. may provide the financial product or financial service requested by the Client only after complying with point 29.A.a and obtaining a written acknowledgement from the Client.</p>
17.	<p>Dealing with conflict of interest</p> <p>In case of any conflict between the interests of a Client and that of the Member, preference much be given to the Client interests.</p> <p>a. A Member must -</p> <p>i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and</p> <p>ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between -</p> <p>1. its own interests and the interests of the Client; or</p> <p>2. the interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.</p> <p>b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.</p> <p>c. In this section, “conflicted remuneration” means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.</p>
18.	<p>In case, where a member surrenders his/ her/ its membership, Member gives a public notice inviting claims, if any, from investors.</p> <p>In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.</p>



19.	<p>19 A. Protection from unfair conduct which includes misleading conduct & abusive conduct</p> <p>a. Unfair conduct in relation to financial products or financial services is prohibited.</p> <p>b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes -</p> <ul style="list-style-type: none">i. misleading conduct under point 19.Bii. abusive conduct under point 19.Ciii. such other conduct as may be specified.
	<p>41 B.</p> <p>a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves -</p> <ul style="list-style-type: none">i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; orii. providing accurate information to the Client in a manner that is deceptive. <p>b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" -</p> <ul style="list-style-type: none">i. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;ii. the Client's need for a particular financial product or financial service or its suitability for the Clientiii. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;iv. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;v. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; andvi. the rights of the Client under any law or regulations. <p>41 C.</p> <p>a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it -</p> <ul style="list-style-type: none">i. involves the use of coercion or undue influence; andii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise. <p>b. In determining whether a conduct uses coercion or undue influence, the following must be considered -</p> <ul style="list-style-type: none">i. the timing, location, nature or persistence of the conduct;ii. the use of threatening or abusive language or behavior;iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including -v. the right to terminate the financial contract;vi. the right to switch to another financial product or another Member andvii. a threat to take any action, depending on the circumstances in which the threat is made.
20.	Members are required to send account statement to their clients every month.



Rights and Obligations of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars / Notifications / Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.

2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

Beneficial Owner information

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.

4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts

6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.

7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

Dematerialization

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

Separate Accounts

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DPs own securities held in dematerialized form.

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

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



Statement of account

14. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.

15. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.

16. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

17. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

Manner of Closure of Demat account

18. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

19. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

Default in payment of charges

20. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

21. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

Liability of the Depository

22. As per Section 16 of Depositories Act, 1996,

1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.

2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.



Freezing/ Defreezing of accounts

23. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

24. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

25. The Joint holders are aware that in case of any Statutory Order for freezing any one joint holder, the demat account will be frozen and the other joint holders will have to obtain a specific Order for unfreezing their percentage of joint ownership by submitting the relevant documentary proof to the Order issuing authority.

Redressal of Investor grievance

26. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

Authorized representative

27. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

Law and Jurisdiction

28. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.

29. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.

30. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.

31. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI

32. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.

33. 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 Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.