

**PATCO INVESTMENTS & CONSULTANCY  
SERVICES (PRIVATE) LTD**

**Member : National Stock Exchange of India Ltd.**

**SEBI Regn. No. INB 0230838835**

**SEBI Regn. No. INF 0230838835**

**Member : Bombay Stock Exchange Ltd.**

**SEBI Regn. No. INB 010838838**

**INDIVIDUAL CLIENT REGISTRATION  
APPLICATION FORM**

**Name of the Applicant** : \_\_\_\_\_

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

VANGUARD HOUSE, 48, Second Line Beach, IIIrd Floor, Chennai – 600 001.

Tel : 25340589, 25341413, 25342700, 25352893

Fax :25341741, 25342041

Email : [pics@vsnl.com](mailto:pics@vsnl.com)



**PATCO INVESTMENTS & CONSULTANCY SERVICES (PRIVATE) LTD.**

Member : National Stock Exchange of India Ltd.  
SEBI Regn. No. INB 0230838835  
SEBI Regn. No. INF 0230838835  
Member : Bombay Stock Exchange Ltd.  
SEBI Regn. No. INB 010838838

Registered Office:  
VANGUARD HOUSE  
48, SECOND LINE BEACH  
CHENNAI – 600 001, INDIA.

**INDIVIDUAL CLIENT REGISTRATION FORM (CAPITAL MARKET / DERIVATIVES SEGMENT)**

(This information is the sole property of the trading member / brokerage house and would not be disclosed to anyone unless required by law or except with the express permission of clients)

**Client Information**

CLIENT CODE

BRANCH ID

**PERSONAL DETAILS :-**

1. Name of the client : \_\_\_\_\_  
(Surname) (Name) (Middle Name)

2. Unique Identification Numbers (where obtained)

3. Sex :  Male  Female

4. Date of Birth : dd / mm / yyyy

5. Marital Status :

6. Residence Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

City : \_\_\_\_\_

Pin Code : \_\_\_\_\_

State : \_\_\_\_\_

Country : \_\_\_\_\_

Nationality : \_\_\_\_\_

Telephone Number: (Res) \_\_\_\_\_ (Office) \_\_\_\_\_

Fax No: \_\_\_\_\_ Mobile No. \_\_\_\_\_

E-mail: \_\_\_\_\_

Residential Status : Indian / NRI / Others \_\_\_\_\_

PHOTOGRAPH  
Please sign on the  
photograph

**CLEARING MEMBER :**

INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD.  
"Ramkoti", New No.13/2, Old No.7, Second Floor, First Main Road  
Gandhi Nagar, Adyar, Chennai 600 020, Ph.24405412/13 Fax:24410618

( Applicable for derivatives segment )

## 7. Bank and Depository Account Details

Bank Name (through which transactions will generally be routed.) \_\_\_\_\_

Branch : \_\_\_\_\_

Address: \_\_\_\_\_

Pincode: \_\_\_\_\_

Account No.: \_\_\_\_\_

Account Type : Savings / Current / NRI / Others : \_\_\_\_\_

Telephone: \_\_\_\_\_ Date of opening A/c: \_\_\_\_\_

Bank Branch code: \_\_\_\_\_ MICR No: \_\_\_\_\_

*(Copy of a canceled Cheque leaf / pass book / bank statement containing name of the constituent should be submitted. )*

### Depository Account Particulars (through which transactions will generally be routed.)

BO Account Number \_\_\_\_\_

D.P.ID.: \_\_\_\_\_ Client ID: \_\_\_\_\_

Depository: NSDL / CDSL DP Name: \_\_\_\_\_

DP Address: \_\_\_\_\_

Pin Code: \_\_\_\_\_

PAN / GIR : \_\_\_\_\_ MAPIN UID NO: \_\_\_\_\_

## 8. Occupation Details

Occupation : Employed  Self Employed  Business  Professional  House -Wife  Others

(Tick whichever is applicable)

Educational Qualifications: \_\_\_\_\_

9. If Employed

Name of Employer : \_\_\_\_\_  
Other Address : \_\_\_\_\_  
City : \_\_\_\_\_  
Pin Code : \_\_\_\_\_  
State : \_\_\_\_\_  
Country : \_\_\_\_\_  
Telephone Number (Office) \_\_\_\_\_  
Fax No. / Telex No.: \_\_\_\_\_

10. If Self Employed / Business / Professional / Others

Name of the establishment : \_\_\_\_\_  
Other Address : \_\_\_\_\_  
City : \_\_\_\_\_  
Pin Code : \_\_\_\_\_  
State : \_\_\_\_\_  
Country : \_\_\_\_\_  
Telephone Number (Office) \_\_\_\_\_  
Fax No. / Telex No.: \_\_\_\_\_

**11. Financial details of the constituent :**

Income Range (Per Annum) : (Tick where applicable ) PAN No.: .....

- Below Rs.1,00,000
- Rs.1,00,000 To Rs.5,00,000
- Rs.5,00,000 To Rs.10,00,000
- Rs.10,00,000 To Rs.25,00,000
- Above Rs.25,00,000

Annual Income for last three years (in Rs.)

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**12. Investment / Trading Experience**

Type of Instrument	Experience	Market value of Portfolio	Market value of other Assets
Stocks			
Derivatives			
Others			

**13. Trading Preference**

Stock Exchanges on which you wish to trade

A. Stock Exchanges on which you wish to trade (if the member is registered for such Exchanges)      B. Market segments you to trade (If the member is registered for such segment)  
(Please tick in the relevant boxes)

		Capital Market / Cash Segment	Derivatives Market	Debt Market
1. National Stock Exchange of India Ltd.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Mumbai Stock Exchange Ltd.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Madras Stock Exchange Ltd.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. Whether registered with any other broker-member: (if registered with multiple members, provide details of all)**

Name of Broker :

Name of Exchange :

Client code no:

15. Details of any action taken by SEBI / Stock exchange / any other authority for violation of securities laws / other economic offences.

**16. References**

Introduction : Introduced by another constituent / director or employee of trading member / any other person (please specify)

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

Introducers Client Code : \_\_\_\_\_      MAPIN UID No.: \_\_\_\_\_

Address of the Introducers : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Pincode : \_\_\_\_\_

Signature \_\_\_\_\_

Name and designation of the employee who interviewed the client : \_\_\_\_\_  
( Name)

\_\_\_\_\_  
( Designation)

Signature of the employee : \_\_\_\_\_

## DOCUMENTARY REQUIREMENTS

Copy of any two of the following documents may be obtained after due verification with the originals thereof

1. Passport Number		Place of Issue	
Date of issue		Date of Expiry	
2. Driving License no		Place of Issue	
Date of Issue		Date of Expiry	
3. Election Id Card No		Place of Issue	
Date of Issue			
4. Income Tax Number PAN		Ward / Circle / Range	
5. Ration Card Number		Place of Issue	
Date of Issue			
6. MAP UID No		Place of Issue	
7. Date of Issue			

### 17. Declaration

I hereby declare that all the information and particular given by me in this application are true to the best of my knowledge and belief. I agree to immediately inform you if there is any change in any of the information given in this application or in the annexure(s) to this application. I also declare and agree that if any of the above statement are found to be incorrect or false or any information or particular have been suppressed or omitted there from, I am liable to be debarred from doing business in the cash / derivatives segment. I also agree to furnish such further information as you or the exchange / sebi may required from me from time to time and I agree that if I fail to give such information, you shall have right to cancel my registration and you or the exchange shall have the right debar me from doing business in the cash / derivatives segment of the exchange. I authorize you to transfer the shares purchased by us to the above Demat account.

Place : \_\_\_\_\_

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

\_\_\_\_\_  
(Signature of the individual constituent)

**For Office Purposes :**

**Unique Constituent Code :** \_\_\_\_\_

**(To be inserted by the Brokerage Firm)**

**Original documents Verified By** \_\_\_\_\_ **Authorised By :** \_\_\_\_\_

The following format has to be obtained from all constituents (other than institutional clients).

1. Separate form to be obtained in respect of all clients including PMS clients.
2. All columns are to be filled in by the clients and copies of relevant supporting documents need to be attached by the constituents

**BANK VERIFICATION LETTER**

From:

To:

**Re: BANK ACCOUNT & SIGNATURE VERIFICATION REQUEST**

Sir,

I/We are opening an account with M/s PATCO INVESTMENTS AND CONSULTANCY SERVICES PVT. LTD., which requires verification of my/our bank account information and signature(s). We would appreciate if you attest my/our bank account information given.

Account Holder's Name(s)

1.

2.

Bank Account No: \_\_\_\_\_ Type of Account: \_\_\_\_\_

Is this an individual / Joint / Corporate Account \_\_\_\_\_

Account Since \_\_\_\_\_

Specimen Signature of the Account Holder(s) Name Signature

Name : \_\_\_\_\_ Signature \_\_\_\_\_

Name : \_\_\_\_\_ Signature \_\_\_\_\_

**Banker Attestation:**

I certify that the information given is correct

Signature : \_\_\_\_\_ Name \_\_\_\_\_

Designation : \_\_\_\_\_

Bank Address and Seal:
------------------------

## Annexure 2 Member Constituent Agreement

This agreement is made and executed at Chennai this ..... day of .....,20\_\_ between:

M/s.PATCO INVESTMENTS & CONSULTANCY SERVICES PVT. LTD., a body corporate, registered under the provisions of Companies Act. 1956, being a member of the National Stock Exchange of India Ltd. / Bombay Stock Exchange Ltd. (hereinafter called "NSE / BSE"), and having its registered office at 48, Second Line Beach, Chennai 600 001. (hereinafter called "the stock broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include himself in the capacity of a trading member while trading in the derivatives segment, his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

**And**

Mr./Ms/M/s..... an individual/a sole proprietary concern/a partnership firm / a body corporate, registered / incorporated, under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its residence/registered office at .....  
..... (hereinafter called "the client") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part;

Whereas the stock broker is registered as the stock broker of the NSE with SEBI registration number INB 0230838835 in the Capital Market/ Cash Segment and SEBI registration number INF 0230838835 in the Futures and Options Segment and BSE with SEBI registration number INB 010838838 in the Capital Market / Cash Segment.

Whereas the client is desirous of investing/trading in those securities/contracts /other instruments admitted to dealings on the Exchange as defined in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time.

Whereas the client has satisfied 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.

Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided; and

Whereas the stock broker has taken steps and 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.

WHEREAS the stock broker and the client agree to be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.

Now, therefore, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the following terms and conditions:

Signature of the Client

1. The client agrees to immediately notify the stock broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker at the time of opening of the account or at any time thereafter.
2. The stock broker declares that it has brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a. He has read and understood the risks involved in trading on a stock exchange.
  - b. He shall be wholly responsible for all his investment decisions and trades.
  - c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
  - d. He is liable to 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.
  - e. 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
3. The Client agrees to 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 agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchange/SEBI.
4. 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.
5. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), 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.
6. The stock broker agrees 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 SEBI Rules and Regulations circulars/ guidelines/Exchanges Rules/Regulations/Byelaws and circulars.
7. The client agrees to immediately furnish information to the stock broker in writing , if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
8. The stock broker agrees to 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.
9. 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 successors, heirs and assigns shall be entitled to any surplus which may result there from.
10. The stock broker agrees that it shall co-operate in redressing grievances of the client in respect of transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.

Signature of the Client

11. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
12. 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 it may have had transactions in securities .
13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.
14. The stock broker hereby agrees that he shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him and the client and that he shall be liable to implement the arbitration awards made in such proceedings .
15. Information about default in payment/delivery and related aspects by a client shall be brought to the notice of the relevant stock Exchange(s). 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 to the relevant stock exchange(s).
16. The stock broker and the client agree to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
17. The stock broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
18. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange 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 Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.
19. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
20. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled.
21. This agreement shall forthwith terminate; 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 issued by the Board is cancelled.
22. The stock broker and the client shall be entitled to terminate this agreement 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 agreement 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.
23. In addition to the specific rights set out in this Agreement, the stock 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 Exchange and circulars issued thereunder or Rules and Regulations of SEBI.

Signature of the Client

24. Words and expressions which are used in this Agreement, 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 of the Exchange and circulars issued thereunder.

25. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.

26. The stock broker hereby undertakes to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it 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 its his client to any person or authority with the express permission of the client.

This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, 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 Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

IN WITNESS THEREOF the parties to the Agreement have caused these presents to be executed as of the day and year first above written.

*The client's Signature/ Authorised Signatory:*

*The stockbroker's  
Signature/Authorised Signatory:*

Signed by:

Signed by:

Title:

Title:

Name of the client:

Name of the stock broker:

Witness:

Witness:

1.

1.

2.

2.

Note: All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between the parties.

Signature of the Client

## Annexure 4

### **COMBINED RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET /CASH SEGMENT AND FUTURES & OPTIONS SEGMENT (TO BE GIVEN BY THE BROKER TO THE CLIENT)**

This document is issued by the member of the National Stock Exchange of India / Bombay Stock Exchange (hereinafter referred to as "NSE/BSE") which has been formulated by the Exchanges in coordination with the Securities and Exchange Board of India (hereinafter referred to as "SEBI") and contains important information on trading in Equities and F&O Segments of NSE/BSE. All prospective constituents should read this document before trading on Capital Market/Cash Segment or F&O segment of the Exchanges.

NSE/BSE/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 has NSE/BSE/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 contractual relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that investment in Equity shares, derivative or other instruments traded on the Stock Exchange(s), 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 NSE/BSE and suffer adverse consequences or loss, you shall be solely responsible for the same and NSE/BSE, its Clearing Corporation/Clearing House 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 member. 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 security or derivative being traded on NSE/BSE.

It must be clearly understood by you that your dealings on NSE/BSE through a member shall be subject to your fulfilling certain formalities set out by the member, which may inter alia include your filling the know your client form, client registration form, execution of an agreement, etc., and are subject to the Rules, Byelaws and Regulations of NSE/BSE and its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by NSE/BSE or its Clearing Corporation/Clearing House and in force from time to time.

NSE/BSE 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 trading member and/or sub-broker of NSE/BSE and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment advice. No consideration to trade should be made without thoroughly understanding 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 INVOLVED IN TRADING ON THE STOCK EXCHANGE (EQUITY AND OTHER INSTRUMENTS)**

##### **Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that securities undergo when Trading activity continues on the Stock Exchange. Generally, higher the volatility of a security/contract, greater is its price swings. There may be normally greater volatility in thinly traded securities /contracts than in active securities /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.

Signature of the Client

### **Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and/or sell securities / 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 / contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / contracts purchased or sold. There may be a risk of lower liquidity in some securities / contracts as compared to active securities /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/selling without intention of giving and/or taking delivery of a security, as part of a day trading strategy, may also result into losses, because in such a situation, stocks may have to be sold/purchased at a low/high prices, compared to the expected price levels, so as not to have any obligation to deliver/receive a security.

### **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 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 / contracts . This in turn will hamper better price formation.

### **Risk-reducing orders:**

Most Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc". The placing of such 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.

**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 /contract, and such order gets activated if and when the stock / 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 stock 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 stock / 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.

### **Risk of News Announcements:**

Issuers make news announcements that may impact the price of the securities / contracts . These announcements 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.

### **Risk of Rumours:**

Rumours about companies 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 rumours.

### **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.

Signature of the Client

**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 due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

### **System/Network Congestion:**

Trading on NSE/BSE 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 the control of 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 Futures and Options segment is concerned, please note and get yourself acquainted with the following additional features:-

#### **2.1 Effect of "Leverage" or "Gearing"**

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 principal investment amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives trading 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 equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

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

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

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

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

Signature of the Client

## **2.2. 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 Exchange may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

## **2.3 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. GENERAL**

### **3.1 Commission and other charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### **3.2 Deposited cash and property**

You should familiarise yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which has been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the member, the same shall be subject to arbitration as per the byelaws/regulations of the Exchange.

**3.3** For rights and obligations of the clients, please refer to Annexure-1 enclosed with this document.

**3.4** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a member for the purpose of acquiring and/or selling of securities through the mechanism provided by NSE/BSE.

**3.5** The term 'member' shall mean and include a trading member, a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.

I hereby acknowledge that I have received and understood this risk disclosure statement and Annexure-1 containing my rights and obligations. Customer Signature (If Partner, Corporate, or other Signatory, then attest with company seal.)

DD MMM YYYY

Signature of the Client

## ANNEXURE-1

### INVESTORS' RIGHTS AND OBLIGATIONS:

**1.1** You should familiarise yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the stock market or the broking firm's insolvency or bankruptcy.

**1.1.1** Please ensure that you have a documentary proof of your having made deposit of such money or property with the member, stating towards which account such money or property deposited.

**1.1.2** Further, it may be noted that the extent to which you may recover such money or property may be governed by the Bye-laws and Regulations of NSE/BSE and the scheme of the Investors' Protection Fund in force from time to time.

**1.1.3** Any dispute with the member with respect to deposits, margin money, etc., and producing an appropriate proof thereof, shall be subject to arbitration as per the Rules, Byelaws/Regulations of NSE/BSE or its Clearing Corporation / Clearing House.

**1.2** Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.

**1.3** You should exercise due diligence and comply with the following requirements of the NSE/BSE/SEBI:

**1.3.1** Please deal only with and through SEBI registered members of the Stock Exchange and are enabled to trade on the Exchange. All SEBI registered members are given a registration no., which may be verified from SEBI. The details of all members of NSE/BSE and whether they are enabled to trade may be verified from NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com) )

**1.3.2** Demand any such information, details and documents from the member, for the purpose of verification, as you may find it necessary to satisfy yourself about his credentials.

**1.3.3** Furnish all such details in full as are required by the member as required in "Know Your Client" form, which may also include details of PAN or Passport or Driving Licence or Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by SEBI/NSE/BSE at any time, as is available with the investor.

**1.3.4** Execute a broker-client agreement in the form prescribed by SEBI and/or the Relevant Authority of NSE/BSE or its Clearing Corporation / Clearing House from time to time, because this may be useful as a proof of your dealing arrangements with the member.

**1.3.5** Give any order for buy or sell of a security in writing or in such form or manner, as may be mutually agreed. Giving instructions in writing ensures that you have proof of your intent, in case of disputes with the member.

**1.3.6** Ensure that a contract note is issued to you by the member which contains minute records of every transaction. Verify that the contract note contains details of order no., trade number, trade time, trade price, trade quantity, name of security, client code allotted to you and showing the brokerage separately. Contract notes are required to be given/sent by the member to the investors latest on the next working day of the trade. Contract note can be issued by the member either in electronic form using digital signature as required, or in hard copy. In case you do not receive a contract note on the next working day or at a mutually agreed time, please get in touch with the Investors Grievance Cell of NSE/BSE, without delaying.

**1.3.7** Facility of Trade Verification is available on NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com)), where details of trade as mentioned in the contract note may be verified from the trade date upto five trading days. 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 NSE/BSE.

Signature of the Client

**1.3.8** Ensure that payment/delivery of securities against settlement is given to the concerned member within one working day prior to the date of pay-in announced by NSE/BSE or its Clearing Corporation / Clearing House. Payments should be made only by account payee cheque in favour of the firm/company of the trading member and a receipt or acknowledgement towards what such payment is made be obtained from the member. Delivery of securities is made to the pool account of the member rather than to the beneficiary account of the member.

**1.3.9** In case pay-out of money and/or securities is not received on the next working day after date of pay-out announced by NSE/BSE or its Clearing Corporation / Clearing House, please follow-up with the concerned member for its release. In case pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investors' Grievance Cell of NSE/BSE.

**1.3.10** Every member is required to send a complete 'Statement of Accounts', for both funds and securities settlement to each of its constituents, at such periodicity as may be prescribed by time to time. You should report errors, if any, in the Statement immediately, but not later than 30 calendar days of receipt thereof, to the member. In case the error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE/BSE, without delaying.

**1.3.11** In case of a complaint against a member/registered sub-broker, you should address the complaint to the Office as may be specified by NSE/BSE from time to time.

**1.4** In case where a member surrenders his membership, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE/NSCCL/Clearing House within the stipulated period and with the supporting documents.

**1.5** In case where a member is expelled from trading membership or declared a defaulter, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE within the stipulated period and with the supporting documents.

**1.6** Claims against a defaulter/expelled member found to be valid as prescribed in the relevant Rules/Bye -laws and the scheme under the Investors' Protection Fund (IPF) may be payable first out of the amount vested in the Committee for Settlement of Claims against Defaulters, on pro-rata basis if the amount is inadequate. The balance amount of claims, if any, to a maximum amount of Rs.10 lakhs per investor claim, per defaulter/expelled member may be payable subject to such claims being found payable under the scheme of the IPF.

Notes:

1. The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a trading member of NSE/BSE for the purpose of acquiring and / or selling of securities through the mechanism provided by NSE/BSE.

2. The term 'member' shall mean and include a member or a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.

3. NSE/BSE may be substituted with names of the relevant exchanges, wherever applicable.

4. We hereby state, that in addition to our regular client based business. Transacted by us, we also do proprietary trading.

Signature of the Client

Sr.No.	Account Opening Form	Check Box for Clients	Check Box for Office
1	Name of the Account Opening form should be same as appearing in the supporting document attached		
2	Address of the Account Opening form should be same as appearing the supporting document attached		
3	Photograph		
4	Sign across the Photograph		
5	Date of Birth		
6	Residential Status Resident Indian / Non-resident Indian / Foreign National		
7	PAN / GIR NO (Xerox copy of the same)		
8	Demat Account information (Xerox copy of the same)		
9	Supporting document (Xerox copy of any two documents from the following) 1. Passport                      2. Driving License                      3. Ration Card 4. Income Tax Return              5. Voter's ID Card                      6. MAPIN ID CARD 7. Electricity Bill		
10	Client Signature all (X) marked places		