

## IndusInd Bank

Registered office address: 2401, Gen. Thimmayya Road, Cantonment Pune - 411 001.  
Ph: 020-26343201 Fax: 020-26343241 Website: www.indusind.com  
Correspondence office address: Solitaire Corporate Park, 1062, Bldg No. 10, 6th Floor, 167 Guru Hargovindji Marg, Andheri (E), Mumbai – 400093, India Ph: 022-66803223 Fax: 022 - 66238110 Website: www.indusind.com

Sr. No.

By CDS-  
OPS

### ANNEXURE I- INDEX

Pursuant to SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 3, 2009; the clients of currency derivative segment are informed as under of the following:

S. No.	Name of the Document	Brief Significance of the Document	Page No.
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#### MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES

1	Account Opening Form (For Non - Individuals)	A. KYC form - Document captures the basic information about the constituent and an instruction/check list.	3 - 5
		B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list (attached separately)	6 - 10
2	Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading). (Annexure 4)	11 - 15
3	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market. (Annexure 5)	16 - 19
4	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors. (Annexure 6)	20 - 21
5	Policies and Procedures	Document describing significant policies and procedures of the stock broker	22 - 23
6	Brokerage Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s)	31

#### VOLUNTARY DOCUMENTS

1	Bank Documents	Letter of Authority, Consent letter, Omnibus Request, Running Account Authorization, Undertaking cum indemnity, Suitability and Appropriateness	24 - 29
2	Board Resolution	Board Resolution	30
3	Internal Use	Internal Usage Documents	32

**Name of stock broker/trading member/clearing member:** IndusInd Bank Ltd.

**SEBI Registration No. and date:** NSE-INE231308847, August 27, 2008 & MCX-SX INE261314434 and September 29, 2008

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**Compliance officer name, phone no. & email id:** Mr. Chandrahas Shetty, 022-67723943, chandrahas.shetty@indusind.com

**CEO name, phone no. & email id:** Mr. Romesh Sobti, romesh.sobti@indusind.com, 91-22-24231999.

For any grievance/dispute please contact IndusInd Bank Ltd. at the above address or email id-chandrahas.shetty@indusind.com and Phone no. 91-22-6772 3943. In case not satisfied with the response, please contact the concerned exchange(s) at ignse@nse.co.in and Phone no. 91-22-26598190 (For NSE) and investorcomplaints@mcx-sx.com and phone 91-22-67318933 (For MCX-SX)

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## INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

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

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

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

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

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

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

### D. Exemptions/clarifications to PAN (\*Sufficient documentary evidence in support of such claims to be collected.)

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

### E. List of people authorized to attest the documents:

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

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

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

Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals

Name of Applicant \_\_\_\_\_ PAN of the Applicant \_\_\_\_\_

Sr. No.	PAN	Name	DIN (For Directors) / UID (For Others)	Residential / Registered Address	Relationship with Applicant (i.e. promoters, whole time directors etc.)	Whether Politically Exposed	Photograph
						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	
						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	
						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	
						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	
						<input type="checkbox"/> PEP <input type="checkbox"/> RPEP <input type="checkbox"/> NO	

IPV Done on | d | | / | m | | / | y | y | y |

Employee Name : _____	ECN : _____
Designation : _____	Date : _____
Signature : _____	Place : _____
Branch Stamp / Seal :	

Name & Signature of the Authorised Signatory(ies) \_\_\_\_\_ Date | d | | / | m | | / | y | y | y |

PEP: Politically Exposed Person RPEP: Related to Politically Exposed Person

**ANNEXURE 3  
TRADING ACCOUNT RELATED DETAILS**

<b>A. BANK ACCOUNT DETAILS</b>													
1	Bank account Type: <input type="checkbox"/> Saving Account <input type="checkbox"/> Current Account <input type="checkbox"/> NRI <input type="checkbox"/> NRO <input type="checkbox"/> NRE												
2	Bank Account Number												
3	Bank Name	<b>IndusInd Bank Ltd.</b>											
4	Branch Address												
		City/town/village						PIN Code					
		State						Country					
5	MICR Code												
6	IFSC Code												

**B. DEPOSITORY ACCOUNT(S) DETAILS:**

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

**TRADING PREFERENCES**

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

Exchanges	Segments	Signature
NSE-National Stock Exchange of India Ltd.	Currency Derivative	
MCX Stock Exchange Ltd.	Currency Derivative	

# If, in future, the client wants to trade on any new segment/new exchange, separate authorization / letter should be taken from the client by the stock broker.

**C. Other Details (please see guidelines overleaf)**

**1. Gross Annual Income Details** Please tick (✓): Income range per annum:  Below 1 Lac  1-5 Lac  5-10 Lac  10-25 Lac  25 Lacs-1 Crore  > 1 Crore

**2. Net-worth in ₹.** \_\_\_\_\_ as on (date) | d | d | / | m | m | / | y | y | y | y |

(\*Net worth should not be older than 1 year)

**3. Name, PAN, DIN/UID, residential address and photographs of Promoters / Partners / Karta / Trustees / whole time directors** (Please fill Annexure for the details)

**4. Is the entity involved/providing any of the following services**  YES  NO

- For Foreign Exchange / Money Changer Services  YES  NO
- Gaming / Gambling / Lottery Services (e.g. casinos, betting syndicates)  YES  NO
- Money Lending / Pawning  YES  NO

**5. Any other information:** \_\_\_\_\_

**D. PAST ACTIONS**

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

**E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS**

If client is dealing through the sub-broker, provide the following details:

Sub-broker's Name: \_\_\_\_\_

SEBI Registration number: \_\_\_\_\_

Registered office address: \_\_\_\_\_

Ph: \_\_\_\_\_ Fax: \_\_\_\_\_ Website: \_\_\_\_\_

Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock brokers/sub-brokers, provide details of all)

Name of stock broker: \_\_\_\_\_

Name of Sub-Broker, if any: \_\_\_\_\_

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

Details of disputes / dues pending from/to such stock broker/sub- broker: \_\_\_\_\_

**F. ADDITIONAL DETAILS**

Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify):

Specify your Email id, if applicable: \_\_\_\_\_

Whether you wish to avail of the facility of internet trading / wireless technology (please specify): \_\_\_\_\_

Number of years of Investment / Trading Experience: \_\_\_\_\_

In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others:

Any Other Information: \_\_\_\_\_

Whether you wish to avail documents relating to rights & obligations, uniform risk disclosure document, do's & don't in electronic / physical mode (choose your preference)

**Authorised to deal in securities on behalf of company/firm/others:**

PHOTOGRAPH

Please affix your recent  
passport size photograph  
and sign across it

PHOTOGRAPH

Please affix your recent  
passport size photograph  
and sign across it

<b>Name</b>		
<b>Designation</b>		
<b>PAN</b>		
<b>UID</b>		
<b>Signature</b>		
<b>Residential Address</b>		

**G. INTRODUCER DETAILS (optional) Name of the Introducer:**

\_\_\_\_\_  
(Surname) (Name) (Middle Name)

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

\_\_\_\_\_  
Address and phone no. of the Introducer: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

Signature of the Introducer: \_\_\_\_\_

**H. NOMINATION DETAILS (for individuals only)**

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

Name of the Nominee: \_\_\_\_\_, Relationship with the Nominee: \_\_\_\_\_

\_\_\_\_\_, PAN of Nominee: \_\_\_\_\_, Date of Birth of Nominee: \_\_\_\_\_

Address and phone no. of the Nominee: \_\_\_\_\_

\_\_\_\_\_

**Signature of Nominee** \_\_\_\_\_

**If Nominee is a minor, details of guardian:**

Name of guardian: \_\_\_\_\_

Address and phone no. of Guardian: \_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

**Signature of guardian** \_\_\_\_\_

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

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

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

\_\_\_\_\_

**DECLARATION**

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

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

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

Signature of Client/ (all) Authorized Signatory (ies)



**FOR OFFICE USE ONLY**

UCC Code allotted to the Client: \_\_\_\_\_

	Documents verified with Originals M/PM/Other	Client Interviewed By *RM/PM/Any other Bank Official	In-Person Verification done by RM/ PM/ Any other Bank official
Name of the Employee			
Employee Code			
Designation of the employee			
Date & Signature			
NISM Certification No. (for client interviewed by)			
Validity of NISM certification *mandatory for client interviewed by			

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

\_\_\_\_\_  
Signature of the Authorised Signatory  
Product Manager/ Relationship Manager

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

Seal/Stamp of IndusInd Bank Limited

## INSTRUCTIONS/ CHECK LIST

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

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

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

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

**ANNEXURE – 4**  
**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS**  
**as prescribed by SEBI and Stock Exchanges**

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

**CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

**MARGINS**

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

**TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under 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 there under.

#### **BROKERAGE**

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

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

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued there under as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the

arbitration awards made in such proceedings.

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

#### **TERMINATION OF RELATIONSHIP**

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

#### **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings

hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

#### **ELECTRONIC CONTRACT NOTES (ECN)**

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

#### **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued there under 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 there under of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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

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

## ANNEXURE 5

### RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

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

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

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

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

#### **1. BASIC RISKS:**

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

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

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

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



price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

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

### **1.3 Risk of Wider Spreads:**

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

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

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

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

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

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

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

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

### **1.6 Risk of Rumors:**

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

### **1.7 System Risk:**

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

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

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

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

Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

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

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

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

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

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

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

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

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

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

### **2.2 Currency specific risks:**

**1.** The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

**2.** Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

**3.** Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

### **2.3 Risk of Option holders:**

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

### **2.4 Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:**

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

### **4. GENERAL**

- 4.1 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.
- 4.2 The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

## ANNEXURE-6

### GUIDANCE NOTE - DO'S AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

#### BEFORE YOU BEGIN TO TRADE

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

#### TRANSACTIONS AND SETTLEMENTS

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

- d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
  15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

#### **IN CASE OF TERMINATION OF TRADING MEMBERSHIP**

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

#### **DISPUTES/COMPLAINTS**

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

## **POLICIES AND PROCEDURES**

Pursuant to SEBI circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009, the policies and procedures laid down by IndusInd Bank have been detailed below:

### **1. Setting up client's Exposure limits:**

IndusInd Bank reserves the right to allow differential limits varying from client to client, depending upon credit worthiness, integrity and past conduct of each client. Exposure limits will be within the overall limits fixed by the Exchange.

### **2. Applicable Brokerage Rates:**

Standard brokerage structure will be applicable to the Client unless otherwise specifically agreed upon between IndusInd Bank and the Client. The brokerage rate, if negotiated between the Client and IndusInd Bank, is a function of the quality and cost of services provided to the client and the volume and revenue expected from an account.

Standard Brokerage structure in tariff sheet would be made available on the IndusInd Bank's website and it would be e-mailed to the Client and it would be discussed with the client.

Brokerage rate is subject to change in future at the discretion of the Bank with prospective effect. A notice of the same would be sent to the registered email id or postal address of the client at least 15 days before the new rates become applicable.

The brokerage shall however be exclusive of the following: All statutory charges payable to Exchange/SEBI/Govt. Authorities etc and non statutory out of pocket expenses as applicable from time to time. Brokerage shall not exceed the maximum permissible brokerage stipulated by exchange/SEBI.

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

Pursuant to Exchange Bye-laws, the Trading Member is currently required to make pay-in of funds towards MTM settlement to the Exchange by T+1 and towards final settlement by T+2.

Delay or failure on part of the client in meeting the shortfall towards payment of MTM or final settlement obligation will be charged at a penal interest rate. Currently, the penal interest rate is 18% p.a. (Please note that the penal interest rate will be as applicable on the day of shortfall). Any change in the penal interest will be notified to the Client at least 15 days before the change is effected. The penal interest will be applied till such time as the positions are forcibly wound up to the extent of shortfall as per Exchange guidelines or shortfall is adjusted from margin or client deposits the amount of shortfall.

Client is to note that IndusInd Bank shall not pay any interest or other benefit to the client for maintaining margin money deposited in the form of cash balances with us.

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

IndusInd Bank has the right to close out the client's open position to the extent of settlement/margin obligation without giving notice to the client where there is a delay/ failure of the client to meet the pay-in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk due to high volatility Or there is an excess over utilization of available margin limits.

IndusInd Bank will have the right but not the obligation to close out Client's open position. It shall therefore not be under any obligation to compensate for any delay or non-closure of open position at a particular rate.

### **5. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:**

a. Where the client is not having adequate margins as per the Exchange guidelines and internal risk management system of the IndusInd Bank.

b. Where the client is unable to meet his pay-in obligation by the scheduled date of pay-in and his

margin is insufficient to cover his open positions and MTM pay-in obligation.

- c. In case where the client is utilizing the entire limit prescribed by the Exchange and on the next day there is a change in the limit due to reduction in open interest at the Exchange level then the Bank may close out the client's existing position to bring the position down to the revised limits.

**6. Temporarily suspending or closing a client's account at the client's request:**

IndusInd Bank reserves the right to carry out a periodic review of client accounts and may at any time; at its sole discretion and without a prior notice to the Client suspend the trading in accounts. The circumstances under which the trading in accounts can be suspended are stated below but are not limited to:

- a. If the Client has no open position and has not done any transaction in the past 6 months.
- b. If the client lodges a complaint either directly with IndusInd Bank or through Exchange concerning unauthorised trades in his account.
- c. IndusInd Bank may suspend trading or close the account due to deterioration in client's credit or other banking relationships.
- d. The physical contract notes / Statement of Account are returned undelivered on account of such reasons as incorrect address, refusal to accept, addressee has left, dubious identity etc.
- e. Delivery failure of Electronic Contract Notes on more than 5 successive instances on the same day.
- f. Where regulatory body has put the Client under investigation or a notice has been received from the former prohibiting the Client to trade.
- g. Where a client is reported to be deceased.
- h. IndusInd Bank may also suspend the account based on the written request received from the client.

**7. Deregistering a client:**

IndusInd Bank may de-register the client account based on the following:

- a. Any action taken by SEBI/Exchange against the client / inclusion of client name in the list of debarred entities published by SEBI / RBI.
- b. Any suspicion on the client's back ground.
- c. Client account may also be deregistered without the assignment of any specific reason. 15 days written notice shall be provided to the client in such case.

IndusInd Bank shall have the right to close out the existing positions; sell the collaterals to recover its dues, if any, before de- registering the client.

**8. Treatment of inactive accounts and process for reactivation:**

If the client has no open position and is inactive for more than six months then the account would be suspended for trading. If there is any credit available in the Client's margin account with the Bank, it would be refunded at the client's request subject to compliance of monthly / quarterly settlement. If the client is desirous of reactivating his account post the suspension, then he will have to send a written request for reactivation.

Clauses pertaining to refusal of order for Penny stocks and shortages in obligations arising out of internal netting of trades have not been mentioned above as they do not pertain to Currency Derivative segment.

9. In pursuant to SEBI circular no. SEBI / MRD / SE / Cir-42 / 2003 dated 19th November, 2003, the Bank wishes to disclose that the Bank may be engaged in dealing in Currency Futures for its proprietary book in addition to offering the product to the retail and corporate client.

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**Client Signature and Stamp**

### LETTER OF AUTHORITY

1. Without prejudice to the generality of any of the mandatory / voluntary Client Registration document signed by the Client, IndusInd Bank Ltd. as the Trading Member can act upon as hereunder whenever necessary;  
In case of any shortfall in the margin/collateral maintained by the Client with the Bank, the Bank can take any action necessary to protect its interests. These actions would include but would not be limited to, a restriction on further trade, debiting the account of the Client for the shortfall, demanding for additional collateral/margin and a close-out of the open position at any point of time.
2. The Bank shall be entitled to receive such lawful fees, charge, brokerage or commission with respect of various services, which it renders or agrees to render as the Trading Member. Such lawful fees, charge, brokerage or commission is subject to change at the discretion of the Bank. Revision of such fees, charges, brokerage and commissions will be communicated to the client as per prevailing guidelines of SEBI / Exchange.
3. I/We authorise IndusInd Bank to issue Electronic Contract Notes (ECN). I agree that the ECN will be sent to my registered email id that has been provided by me in the Client Registration/Account Opening form.
4. I also agree that any change in the email id will be communicated by me through a physical letter/email from the designated email id to IndusInd Bank.

**The client also agrees that:**

- a. He has read and understood the risks involved in trading on a stock exchange as per the Risk Disclosure Document.
- b. He also understands that trading in Currency Derivatives involves exposure to various foreign exchange risks and, movements in the foreign exchange markets and money markets have an impact on the price and volatility of the Currency Derivatives. While trading in Currency Derivatives, the client agrees that he has understood these risks and shall be solely responsible for its implications.
- c. In consideration of the Bank in its capacity as a Trading member, permitting the Client to trade in Currency Futures through it, the Bank has the unconditional and irrevocable right to debit the Client's Current Account / Savings Bank Account/ any other account towards the following:
  1. Margin requirements as prescribed by the exchange or the Bank from time to time.
  2. Brokerage, commission, fees, taxes, levies, charges levied by the Exchange or the Bank or the regulatory body as and when necessary.

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**Client Signature and Stamp**



## **CONSENT FROM THE CLIENT**

Without prejudice to the generality of any of the mandatory / voluntary Client Registration document signed by the Client in favour of the Bank under the Currency Derivatives Segment the Client undertakes and consents as under,

### **Recording of Conversations:**

I/We consent to the recording of telephone conversations between the trading, marketing and other relevant personnel of the Trading Member in connection with this mandatory / voluntary Client Registration document or any potential transaction. I/We agree to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and agree, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

### **Confirmation of Transactions through Electronic Mode:**

I/We intend that we are legally bound by the terms of each transaction from the moment we agree to those terms. I/We hereto agree that each transaction shall be evidenced by the manual execution on behalf of one or more counterparts of a document (a "Confirmation") stating the particular terms of that transaction. The Confirmation shall be in a form acceptable to the Trading Member. Where a transaction is confirmed by means of an electronic messaging system, including e-mail, that I/We have elected to use to confirm such transaction (i) such confirmation will constitute a "Confirmation" for the purposes of this purpose even where not so specified in the confirmation and (ii) such Confirmation will supplement, form part of, and be subject to the mandatory / voluntary Client Registration document executed with the Trading Member (unless such Confirmation shall expressly state otherwise).

### **OMNIBUS REQUEST**

All communications and notices shall be in English. It is understood and agreed between the parties, that through this request letter (Omnibus Request Letter) the Client authorizes the Bank to accept an order to enter into a Currency Future Contract (Contract), conveyed by the Client by means of telephone, facsimile or telex ( whether manually or automatically generated), e-mail or other electronic or written mode of communication and all such communications shall constitute a " Confirmed Order Instruction" to have been obtained from the Client by the Bank before placing the order in the system. Further, the Bank may tape record telephone conversations between the parties and use these recordings as evidence in case of dispute.

Further, unless either party objects to the terms of a Contract contained in any confirmation preferably within seven (7) business days of receipt thereof, the terms of such confirmations shall be deemed to be correct in all respects and accepted unless corrected confirmation is sent by the Bank within two days period, in which case the Client shall have seven (7) business days after receipt thereof to object to the terms contained in such corrected confirmation. In case of any objection received from a client the Bank shall rectify the objection and revert at the earliest with a feedback on the correctness.

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**Client Signature and Stamp**

**RUNNING ACCOUNT AUTHORISATION**

I/We authorise IndusInd Bank Ltd to maintain a running account, i.e. to retain funds and securities deposited by me / us or received as pay-outs from the Exchange on my / our behalf with itself on an ongoing basis. Such funds are to be utilized for the purpose of meeting my / our settlement / margin obligations as and when required.

In this regard, I/we confirm the following:

1. I / We understand that “funds” mean credit balance in my / our account or received as pay-outs from the Exchange.
2. I / We understand and agree that in case of debit balance in my / our account, IndusInd Bank reserves the right to close out my / our position to the extent of the debit balance without providing any notice to me / us subject to SEBI / Exchange guidelines.
3. I / We understand that the running account authorisation shall be valid only if signed by me; and not by any authorised person on my behalf or any holder of the Power of Attorney.
4. I / We understand and agree that in any case I / we require return of securities/funds lying to the credit of my / our account with IndusInd Bank Ltd, at any time; I/we will inform you of the same in writing.
5. I / We understand and agree that IndusInd Bank at its sole discretion may transfer the funds through ECS or issue a cheque or demand draft in my / our favour and send the same to my / our registered address.
6. I / We understand that settlement of funds and securities shall be done by IndusInd Bank, at least once in a calendar month or once in a quarter based on my / our preference as indicated below. I request you to settle my / our account once in
 

a. Daily basis or b. Calendar month or c. Calendar quarter	}	Strike off whichever is not applicable
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7. I / We understand that if I / we have an outstanding position on the running account settlement date, IndusInd Bank reserves the right to retain the securities / funds towards such obligations. IndusInd Bank may also retain the funds expected to be required to meet margin obligations for the next 5 trading days.
8. I / We understand and agree that at the time of settlement, IndusInd Bank shall not provide me/us any exposure for trading till clear funds are transferred to IndusInd Bank’s account towards margin obligations.
9. I / We shall bring any dispute arising from the statement of funds and securities or arising from settlement so made to the notice of IndusInd Bank preferably within 7 working days from the date of receipt of funds / securities or statement, as the case may be.
10. I / We reserve the right to revoke the authorisation at any time by giving notice. I / We understand that this notice should be in writing, addressed to IndusInd Bank Ltd and should be duly acknowledged by the Bank.
11. IndusInd Bank shall not be responsible for delay or default in the performance of their obligations due to contingencies beyond their control, such as fire, flood, civil commotion, riots, earthquake, war, strikes, failure of the system, failure of Internet links or government/regulatory actions including without limitation, any Act of God, lockouts, law and order problem, embargo, moratorium, declaration of a public holiday, or any other cause beyond the reasonable control of IndusInd Bank.

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**Client Signature and Stamp**

**UNDERTAKING CUM INDEMNITY  
(To be stamped/franked for Rs. 600)**

**Non-Mandatory**

1. The Bank has, at our request, permitted us direct access to the Bank's dealing room in order to enable us to check with dealers the information on the ongoing rate movement, seeking their views etc. and enter into contracts in Exchange Traded Currency Derivatives with the Bank by placing orders with the dealer.
2. In this regard –
  - i. We understand and confirm that any information pertain to rate movements in traded currencies or any other information provided to us, if any, is without any obligation, risk and responsibility of the Bank or any or its officials, providing the information.
  - ii. We also confirm that the use of such information provided to us is solely based on our sole judgment, at our risk and responsibility, for which the Bank or the Bank's officials have no obligation or liability whatsoever.
  - iii. We also further understand that the information, if any, provided to us is confidential in nature and it is intended solely for the use by us.
  - iv. We further understand and confirm that in providing the aforesaid facility of accessing the Bank's dealing room directly, the Bank and its officials are acting in good faith without any risk and responsibility on their behalf and expect us to act in good faith without any risk and responsibility on their behalf and expect us to act in good faith and we shall not use or deal with the information in any manner detrimental to Bank.
  - v. Further, we hereby agree to keep the Bank and its officials indemnified in respect of all such actions which the Bank and its officials would have taken at our request and or on our behalf in the process of providing the facility of accessing the dealing room by us.
  - vi. We agree that the deals confirmed and executed by dealers on our behalf shall be acceptable by me / us. We agree to indemnify the losses arising out of such cancellation or deal. Further, the records including email, voice recording, fax will be accepted as evidence for the details.
  - vii. We further understand and confirm that the details of the information furnished to us, underlying transactions and the rate obtained by us etc. as recorded in the Bank's books would be construed to be acceptable by me / us.
3. We further I / We understand and acknowledge that there are inherent risks involved in sending the instructions to you via facsimile, untested telexes and faxes, telegraph, cable or e-mails and hereby agree and confirm that all risks shall be fully borne by me / us and I / we assume full responsibility for the same, and I / we will not hold the Bank liable for any losses or damages including legal fees arising upon your performing or your non performing or any delay /default in performing any act, wholly or in part in accordance with the instructions so received which could be a result of any miscommunication, or technological error beyond the control of the Bank considering the mode in which the same was conveyed .

In view of you agreeing, subject to the terms and conditions hereunder, to act upon the instructions as aforesaid, I/we hereby irrevocably agree and undertake:

- a. That the Bank shall be entitled to act as you see fit, without incurring any liability whatsoever to me / us or to any other person, upon any instructions for any purpose which may from time to time be or purport to be given by facsimile, untested telexes and faxes, telegraph, cable or email by me / us (including such instructions as may be or purported to be given by those authorized to operate my / our account (s) with you), even if such instructions or communications are not followed up by written confirmation to the Bank.
- b. That the instructions shall be presumed for your benefit to be duly authorized by and legally binding on me / us, and I / We shall be fully responsible for the same.

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**Client Signature and Stamp**

- c. That you shall be entitled (but not obliged) to keep records of our instructions given or made by facsimile, untested, telexes and faxes, telegraph, cable or any other form of electronic communication in such form, physical or electronic, as you may in your sole discretion deem fit, and your records binding on me / us. You shall be entitled to dispose of or destroy any such records at any time and determined by you at your sole discretion subject to prevailing SEBI/Exchange guidelines.
- d. That you shall be authorized to disclose all instructions as you may deem fit, to your define affiliates, counter parties, service providers, regulators and other authorities or where you are required by law to do so or to protect the interest of your bank;
- e. That you shall be entitled to require any instruction in any form to be authenticated by use of any password, identification code or test as may be specified by you from time to time and I / we shall ensure the secrecy and security of such password, code or test and I /we shall be solely responsible for any improper use of the same and I / we shall not make any claim on you;
- f. We agree and comprehend the risk and vulnerability involved in this communication process and shall extend our full co-operation and support to the Bank for resolving any issues or disputes if any arising due to the any Technical error which could not be anticipated by the Bank inclusive of the Force Majeure situations. Further we agree that this communication would be applicable to the working hours and working days of the Bank its Branches and offices only .
- g. That, notwithstanding the above you may, under circumstances determined by you in your absolute discretion, require from me / us confirmation of any instructions in such form as may specify before acting on the same; and I /we shall submit such confirmation to you immediately upon receipt of your request. Pursuant to receipt of instructions, you shall have the right but not the obligation to act upon such instructions.
- h. That you shall not be liable to me / us or any third party for, and that I / we (jointly and severally) shall indemnify you and keep you indemnified from and against all claims either by me / us or any other, actions, demands, liabilities, costs, charges, damages, losses, expenses and consequences of whatever nature (including legal fees on a full indemnity basis) and howsoever arising which may be brought or preferred against you or that you may suffer, incur or sustain by reason or on account of you having so acted whether wrongly or mistakenly or not, or of your failing to act wholly or in part in accordance with the instructions and the terms of this letter.
- i. That I/we shall duly inform the bank about any change in the our communication i.e. change in email id, fax numbers etc and further indemnify the bank against any miscommunication, error, loss and damage monetary and otherwise caused to the bank due to the same
- j. That I / we confirm that I / we have the capacity and authority to accept this document and that this document constitutes our valid, legal effective and enforceable obligation.
- k. That this undertaking cum indemnity letter shall be governed and construed in accordance with the laws of India and I /we hereby submit to the exclusive jurisdiction of the courts in India.

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**Client Signature and Stamp**

**Suitability and Appropriateness Currency Derivatives**

**Non-Mandatory**

(To be evaluated by Bank's Official)

Name of Client:

Score Card:

Sr. No.	Information	Customer's Response	Score	Maximum	Reference	Score
1	Does this transaction fits in customer's requirement			Yes - 3 No - 0		
2	Has the Customer used Currency Futures in the past or does the customer understand the technicalities of the product?			Yes - 3 No - 0		
3	Does the Customer have a banking relationship with bank for past one year / Has the customer provided stipulated cash margin for the trades			Yes - 3 No - 1		
4	Does the Customer understand the risks associated with the product?			Yes - 3 No - 0		
5	Responsibilities of main contact point person within Customer's organization (Designation) / Individual will be solely responsible.		5		Top Management Senior Management Middle Management Junior Management Other	5 4 2 0 0
6	His level of delegation (Partial / Total) / Other than corporate score would be 2			Total-2 Partial – 1		
7	His Educational Background (highest degree / Diploma)		5		PG Professional PG-General Grad Professional Grad-Genera Under Grad.	5 4 3 2 1
8	Does the client have market information tools (Exchange Reuter platform,s, Bloomberg etc.) or risk management tools			Yes - 1 No - 0		
	Total			25		
	Normalization (Score x 10/25)			10		

Customer Eligibility-Yes/No

(Score for Eligibility- 5 to 10)

\_\_\_\_\_  
Name & Signature  
Relationship Manager BU/Sourcer

\_\_\_\_\_  
Name & Signature  
GMG Product Manager /Team Manager  
EC / Branch Manager

**Kindly note: For Consumer Banking: the maker will be sourcer (RM) and checker will be the team manager EC)/branch manager**

**BOARD RESOLUTION (Format for Non-Individuals on the letter head of the company)**

Certified True Copy of the Resolution of the Board of Directors of \_\_\_\_\_ passed in their meeting held on ,20 \_\_\_\_at address \_\_\_\_\_

“RESOLVED THAT” the approval of the Board be and is hereby given for the Company to undertake and enter into Currency Derivatives contracts with IndusInd Bank Ltd. a trading cum clearing member on the National Stock Exchange Ltd., the MCX Stock Exchange Ltd., or any other stock exchanges as may be approved by SEBI (hereinafter collectively referred to as the “Exchanges”), and also undertake other foreign exchange transactions including but not limited to currency futures, participation in equity, in debt, derivatives and Currency Derivatives to manage exchange rate risks, to enable better counter party risk management, for wider participation, for trading of standardized products, to reduce transaction costs to hedge risks and all other derivative transactions as permitted by RBI from time to time.”

**FURTHER RESOLVED THAT** authority be and is hereby given to anyone of jointly of the following persons / Executives of the Company who will act as the Dealers and / or Authorised Signatory/ies for and on behalf of the Company and shall execute documents / instructions irrespective of the amount involved in the transactions. :

List of authorised signatories:-

NAME DESIGNATION SIGNATURE

- 1.
- 2.
- 3.
- 4.

\*Strike off what is not applicable, it cannot be anyone/jointly at the same time.

“**FURTHER RESOLVED THAT**” the aforementioned dealers / Signatories are hereby authorised for and on behalf of and in the name of the Company and to sign and execute all documents on behalf of the Company including documents and annexure prescribed by the Exchanges and/or the Bank and/or any Trading Member and/or any of the Clearing Member of the Exchanges from time to time, and do all such acts, deeds and things as may be necessary in this connection, including to make modifications, alterations, deletions in any of the documents and receive / accept, with or without the stamp of the Company, all any contract notes, FX bookings, confirmation notes / confirmations of transactions, cancellation notes, indemnities including indemnity for facsimile and / or telephonic instructions, authority / confirmation letters, receipts and other related documentation as may be required by the Bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be or be necessary in that behalf; and

“**FURTHER RESOLVED THAT**” the aforementioned dealers / Signatories are hereby authorised to deal, order, undertake and execute , by way of oral conversation/ confirmation with the Bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be over the telephone, any or all of the aforesaid Currency Derivatives Transactions authorised in terms of this resolution and that such oral confirmations to the Bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be through the telephone shall be binding on the Company

“**FURTHER RESOLVED THAT**” the said person/s Executive/s of the Company be and hereby also authorized in the name and on behalf and for / of the Company and / or the Company do hereby to nominate and appoint, such persons / executives as Attorney(s) of the Company to advise and guide the Company in respect of foreign exchange transaction(s) and to interact and represent the Company with the Bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be and otherwise to undertake all activities as the said Executives in the behalf are hereby authorised in all the respects referred above, as they may deem fit.

“**FURTHER RESOLVED THAT**” the resolution be communicated to the Bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be in supersession of all the earlier resolution passed and communicated to the bank and/or the Trading Member and/or the Clearing Member and/or the Exchanges as the case may be pertaining to such transactions.

“**RESOLVED FURTHER THAT**” the Common Seal of the Company be affixed, if necessary, to any documents that may require to be so executed in the presence of \_\_\_\_\_ or any other persons authorised by the Board to execute any of the aforesaid documents on behalf of the company in the ordinary course of business, who shall sign the same in token thereof.

FOR \_\_\_\_\_

(Designation)

**STANDARD BROKERAGE STRUCTURE**

**Futures: -** The brokerage of Rs. \_\_\_\_\_ per lot / \_\_\_\_\_ % per value contract (either buy or sell ) is based on the number of currency derivatives contract lots traded by a client during a calendar month or part thereof basis. For intra-day trading brokerage will be levied on higher leg.

**Options: -** The brokerage of Rs. \_\_\_\_\_ per lot / \_\_\_\_\_ % per value contract (either buy or sell ) is based on the number of currency derivatives contract lots traded by a client during a calendar month or part thereof basis. For intra-day trading brokerage will be levied on higher leg.

Regulatory & Statutory Levies for e.g.: Exchange Investment Protection Fund Trust, Transaction Charges in Currency Derivatives Segment, SEBI Fees, Stamp Duty, Service Tax, Education cess and Additional Education cess etc. as applicable from time to time.

\_\_\_\_\_  
Signature and Stamp  
Client

\_\_\_\_\_  
Name & Signature  
GMG – Product Manager

\_\_\_\_\_  
Name & Signature  
Relationship Manager - BU

**FOR INTERNAL USE ONLY**

To be filled up by Relationship Manager, Product Manager and Back Office Staff

**A. Product Manager and Relationship Manager use only:**

	Sourcing / Relationship Manager Details	Product Manager Details
Branch Name & Code		
Employee Name		
Employee Code		
Mobile No.		
Email		
Signature		

**B. Back office use only:**

NSE UCC upload date: \_\_\_\_\_

MCX - SX UCC upload date: \_\_\_\_\_

Customer ID (NSE): \_\_\_\_\_

Customer ID (MCX-SX): \_\_\_\_\_

Internal Collateral Account No. \_\_\_\_\_

Internal MTM Account No. \_\_\_\_\_

Maker Name & Signature \_\_\_\_\_

Checker Name & Signature \_\_\_\_\_



## CONFIRMATION NOTE

### FOR CLIENTS

I/ We, \_\_\_\_\_ hereby confirm  
that I have received a copy of :

1. KYC Form
2. Rights and Obligations
3. Risk Disclosure Document for Currency Derivatives Segment
4. Policies and procedure
5. Guidance Note
6. Standard Brokerage Structure
7. All other executed mandatory & voluntary client registration documents.

\_\_\_\_\_  
**Client signature / Stamp**  
**(In case of Proprietorship Firm)**