



# E-Invest AOF Part C

(3in1 & 2in1)

## INDEX FOR PART A

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## INDEX FOR PART C

<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES / REGULATORS</b>			
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2	Rights and Obligation of Stock broker and Clients and T & C for Trading in Margin Trading Facility	Document stating Rights and Obligation of Stock Broker client and T & C for Trading in Margin Trading Facility.	16-35
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**VOLUNTARY DOCUMENTS AS PROVIDED  
BY ICICI SECURITIES LIMITED**

1	Letter of Confirmation	Lists the Terms and Conditions applicable to the Trading account, demat account and bank account (applicable for 3-in-1 facility).	83-134
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1. Please note, your application would be completed only after Part A and Part B are duly filled. The account(s) applied for, by you, would be opened only after satisfactory processing of Part A as well as Part B. In the event either of the Parts is incomplete or rejected, we would not be able to process your application further.
2. Address should be filled by the customer even if KRA KYC complied, so as to verify whether your latest details is updated in KRA records. In case of Address mismatch customer is required to fill KRA form and provide address proof.
3. The new ICICI Bank account or the existing ICICI Bank account which is linked to demat account would be mapped for Corporate benefits (applicable for 3-in-1 facility).

Trading and Clearing Member's Name	ICICI Securities Limited
Registered Office Address (Institutional)	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020, India, Tel.: 022-22882460/70 Fax : 022-22826455
Correspondence / Corporate Address (Retail)	Shree Sawan Knowledge Park, Plot No. D-507, T.T.C.Ind. Area, M.I.D.C., Opp. Juinagar Railway Station, Navi Mumbai – 400 705 Tel: 022-40701000 Fax : 022-40701022
Name of Compliance Officer : Mr. Anoop Goyal, Tel : 022-40701000, Email id : complianceofficer@icicisecurities.com	
Name of CEO : Mr. Vijay Chandok, Tel : 022-40701000, Email id : coo@icicidirect.com	
Website : www.icicisecurities.com, www.icicidirect.com	
SEBI Registration No. INZ000183631	
Member of National Stock Exchange of India Ltd. (NSE), BSE Ltd. (BSE) Multi Commodity Exchange of India Limited (MCX) CIN : L67120MH1995PLC086241	

**Participant Name - ICICI Bank Limited, Address - ICICI Bank Limited, ICICI Bank Demat Services, ICICI Bank Tower, Ground floor, B Wing, Autumn Estate, Chandivali Farm Road, Opp Mhada Colony, Chandivali, Andheri (East), Mumbai - 400072, INDIA. DP ID - NSDL IN303028, CDSL 16014301**

4. For any grievance/dispute please contact ICICI Securities Limited at the above address or email id headservicequality@icicidirect.com or Call Customer care number given on our website. In case not satisfied with the response, please contact the concerned exchange(s) at NSE : ignse@nse.co.in, Phone : 022-26598190, BSE : is@bseindia.com, Phone : 022-22728097. MCX Email:- customersupport@mcxindia.com & Tel No: (022) 6731 8888. For Customer grievance relating to Demat a/c please write to headdematservices@icicibank.com and Bank a/c please write to ICICI Bank at: headservicequality@icicibank.com (applicable for 3-in-1 facility)

**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 services to be provided.
  5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
  6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).
- CLIENT INFORMATION**
7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
  8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
  9. The client shall immediately notify the stock broker in

writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

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

### **MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins

(even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

### **TRANSACTIONS AND SETTLEMENTS**

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

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

## **BROKERAGE**

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

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

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation /closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be

bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity partnership / proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/ Promoter(s)/Partner(s)/ Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall cooperate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.

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

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or

expulsion or if the certificate is cancelled by the Board.

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

intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

### **ADDITIONAL RIGHTS AND OBLIGATIONS**

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

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

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin

statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.

36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed,

encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.

39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under

the extant regulations of SEBI/stock exchanges.

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated website, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges

in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.

44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to

be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be

- specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
  3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
  4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
  5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever 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.

## **RIGHTS & OBLIGATIONS OF STOCK BROKERS & CLIENTS FOR MARGIN TRADING FACILITY (MTF)**

### **Part A : Rights and Obligations – Mandatory Clauses of BSE**

1. Stock Broker/ Trading Member is eligible to provide Margin Trading Facility (MTF) in accordance with SEBI & Exchange Guidelines as specified from time to time.
2. Stock Broker/ Trading Member desirous of extending MTF to their clients is required to obtain prior permission of BSE. Stock Broker/ Trading Member may note that BSE has the right to withdraw the permission at anytime.
3. Stock Broker/ Trading Member shall extend the MTF to the client, on such terms and conditions as specified by the Stock Exchange / SEBI from time to time. Stock Broker/ Trading Member and the client shall abide by the requirements of the margin trading framework, including rights and obligations, as prescribed by Stock Exchange/ SEBI/ Stock Broker/ Trading Member.
4. Stock Broker/ Trading Member shall intimate all the terms and conditions, including maximum allowable exposure, specific stock exposures etc., as well as the rights and obligations to the client desirous of availing MTF.
5. Stock Broker/ Trading Member may, at its sole and absolute discretion, increase the limit of initial and/or maintenance margin, from time to time. The Client shall abide by such revision, and where there is an upward revision of such margin amount, he agrees to make up the shortfall within such time as the Stock Broker/ Trading Member may permit. It may however, be noted that the initial/ maintenance margins shall never be lower than that prescribed by Stock Exchange/ SEBI.
6. Stock Broker/ Trading Member shall provide MTF only in respect of such shares, as may be permitted by Stock Exchange/ SEBI.
7. Stock Broker/ Trading Member shall liquidate the securities and other collateral, if the client fails to meet the margin call to comply with the margin requirement as specified by Stock Exchange/ SEBI/ Stock Broker/ Trading Member. In this regard, Stock Broker/ Trading Member shall also list down situations/ conditions in the which the securities may be liquidated (Stock Broker/ Trading Member to list down situations/ conditions which are included in the subsequent part of the T&C below).
8. Stock Broker/ Trading Member shall not use the funds of one client to provide MTF to another client, even if the same is authorized by the first client.

9. The stocks deposited as collateral with the Stock Broker/ Trading Member for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and no comingling shall be permitted for the purpose of computing funding amount
10. IPF shall not be available for transactions done on the Stock Exchange, through MTF, in case of any losses suffered in connection with the MTF availed by the client.  
The rights and obligations prescribed hereinabove shall be read in conjunction with the rights and obligations as prescribed under SEBI circular no. CIR/ MIRSD/ 16/ 2011 dated August 22, 2011

## **Part B : Rights and Obligations – Mandatory Clauses of NSE**

### **CLIENT RIGHTS**

1. Client shall receive all communications in a mode mutually agreed between the broker and the client regarding confirmation of orders/ trades, margin calls, decision to liquidate the position / security.
2. Client shall be free to take the delivery of the securities at any time by repaying the amounts that was paid by the Stock Broker to the Exchange towards securities after paying all dues.
3. Client has a right to change the securities collateral offered for Margin Trading Facility at any time so long as the securities so offered are approved for margin trading facility.
4. Client may close / terminate the Margin Trading Account at any time after paying the dues.

### **CLIENT OBLIGATIONS**

1. Client shall, in writing in his own hand or in any irrefutable electronic method, agree to avail of Margin Trading Facility in accordance with the terms and conditions of Margin Trading Facility offered by the broker, method of communication for confirmation of orders/trades, margin calls and calls for liquidation of collateral/ security/position.
2. Client shall inform the broker of its intent to shift the identified transaction under Margin Trading Facility within the time lines specified by the broker failing which the transaction will be treated under the normal trading facility
3. Client shall place the margin amounts as the Stock Broker may specify to the client from time to time.
4. On receipt of 'margin call', the client shall make good such deficiency in the amount of margin placed with the Stock Broker within such time as the Stock Broker may specify.
5. By agreeing to avail Margin Trading Facility with the broker, client is deemed to have authorized the broker to retain and/or pledge the

securities provided as collateral or purchased under the Margin Trading Facility till the amount due in respect of the said transaction including the dues to the broker is paid in full by the client.

6. Client shall lodge protest or disagreement with any transaction done under the margin trading facility within the timelines as may be agreed between the client and broker.

### **STOCK BROKER RIGHTS**

1. Stock Broker and client may agree between themselves the terms and condition including commercial terms if any before commencement of MTF.

2. Stock broker may set up its own risk management policy that will be applicable to the transactions done under the Margin Trading Facility. Stock broker may make amendments there to at any time but give effect to such policy after the amendments are duly communicated to the clients registered under the Margin Trading Facility.

3. The broker has a right to retain and/or pledge the securities provided as collateral or the securities bought by the client under the Margin Trading Facility.

4. The broker may liquidate the securities if the client fails to meet the margin call made by the broker as mutually agreed of liquidation terms but not exceeding 5 working days from the day of margin call.

### **STOCK BROKER OBLIGATIONS**

1. Stock broker shall agree with the client the terms and condition before extending Margin Trading Facility to such client. However, for clients who already have existing trading relationship and want to avail of Margin Trading Facility, stock broker may take consent in writing in his own hand or in any irrefutable electronic method after stock broker has communicated the terms and conditions of Margin Trading Facility to such existing clients.

2. The terms and conditions of Margin Trading Facility shall be identified separately, in a distinct section if given as a part of account opening agreement.

3. The mode of communication of order confirmation, margin calls or liquidation of position/security shall be as agreed between the broker and the client and shall be in writing in his own hand or in any irrefutable electronic method. Stock broker shall prescribe and communicate its margin policies on haircuts/ VAR margins subject to minimum requirements specified by SEBI and exchanges from time to time.

4. The Stock Broker shall monitor and review on a continuous basis the client's positions with regard to MTF. It is desirable that appropriate alert mechanism is set up through which clients are alerted on possible breach of margin requirements.

5. Any transaction to be considered for exposure to MTF shall be determined as per the policy of the broker provided that such determination shall happen not later than T + 1 day.
6. If the transaction is entered under margin trading account, there will not be any further confirmation that it is margin trading transaction other than contract note.
7. In case the determination happens after the issuance of contract, the broker shall issue appropriate records to communicate to Client the change in status of transaction from Normal to Margin trading and should include information like the original contract number and the margin statement and the changed data.
8. The Stock Broker shall make a 'margin call' requiring the client to place such margin; any such call shall clearly indicate the additional/deficient margin to be made good.
9. Time period for liquidation of position/security shall be in accordance declared policy of the broker as applicable to all MTF clients consistently. However, the same should not be later than 5 working (trading) days from the day of 'margin call'. If securities are liquidated, the contract note issued for such margin call related transactions shall carry an asterisk or identifier that the transaction has arisen out of margin call.
10. The daily margin statements sent by broker to the client shall identify the margin/collateral for Margin Trading separately.
11. Margin Trading Accounts where there was no transactions for 90 days shall be settled immediately.
12. The stocks deposited as collateral with the stock broker for availing margin trading facility (Collaterals) and the stocks purchased under the margin trading facility (Funded stocks) shall be identifiable separately and there shall not be any comingling for the purpose of computing funding amount;
13. Stock Broker shall close/terminate the account of the client forthwith upon receipt of such request from the client subject to the condition that the client has paid dues under Margin Trading Facility.

## **TERMINATION OF RELATIONSHIP**

1. The margin trading arrangement between the stock broker and the client shall be terminated; if the Stock Exchange, for any reason, withdraws the margin trading facility provided to the Stock Broker or the Stock Broker surrenders the facility or the Stock Broker ceases to be a member of the stock exchange.
2. The MTF facility may be withdrawn by the broker, in the event of client committing any breach of any terms or conditions therein or at anytime after due intimation to client allowing such time to liquidate the MTF position as per the agreed liquidation terms without assigning any reason. Similarly, client may opt to terminate the margin trading facility in the event of broker committing any breach of any terms or conditions therein or for any other reason.

3. In the event of termination of this arrangement, the client shall forthwith settle the dues of the Stock Broker. The Stock Broker shall be entitled to immediately adjust the Margin Amount against the dues of the client, and the client hereby authorizes the Stock Broker to make such adjustment.
4. After such adjustment, if any further amount is due from the client to the Stock Broker, the client shall settle the same forthwith. Upon full settlement of all the dues of the client to the Stock Broker, the Stock Broker shall release the balance amount to the client.
5. If the client opts to terminate the margin trading facility, broker shall forthwith return to the client all the collaterals provided and funded securities retained on payment of all the dues by clients.

### **PART C : Terms and Conditions of ICICI Securities Limited for Trading in Margin Trading Facility**

#### **DEFINITIONS:**

In these terms and conditions, unless indicated otherwise, specific words and phrases have the meaning as stated hereunder (arranged alphabetically for ease of reading) and the client confirms having read and understood these words and phrases.

“Account” shall mean the brokerage account of the Client with ICICI Securities Limited which is integrated with his Bank account maintained with ICICI Bank and Demat account maintained with ICICI Bank (as Depository Participant).

“Available Margin”, shall mean, Positions marked in the MTF , margin calculated by multiplying the Current Market Price (CMP) of the security with the position quantity

In the intraday MTM process, Available Margin is compared with the Minimum Margin amount and additional Margin requirement is arrived at.

“Add Margin” shall mean the option provided to the client to allocate additional margin to his existing open positions under the Facility.

“Additional Margin” shall mean the incremental margin required to safeguard Margin Trading positions from being squared off in the Intraday MTM process.

“Auto Square Off” shall mean, the act by which I-Sec shall, after the stipulated time and at its discretion square off all such PendingForDelivery positions for which the client has failed to, within the stipulated time, meet his contractual obligation and the incidental charges thereof or for which the Convert to Delivery option has not been exercised.

“Broker Square off” is a separate product provided by I-Sec which marks (either at the time of order placement or during such time as permitted by I-Sec after the trade execution) a transaction on T Day. Under this product, with respect to the specified positions that are open after the time specified on the T day, the client authorizes I-Sec to square off or to do a CTD (depending on the availability of the requisite funds) of such positions, at its discretion, at any time thereafter.

“Client” shall mean any person who has accepted the Rights and Obligations for Margin Trading Facility and executed Power of Attorney in favour of I-Sec and has an existing and valid Account with I –Sec,

“Convert to Delivery Function (CTD)” shall mean an option provided under the facility, on availability of necessary funds, to convert an outstanding MTF Position with I-Sec into a delivery transaction, resulting into the Client taking delivery of securities.

“Fresh Margin Trading Position” shall mean the position created on execution of a Fresh Order under the Facility.

“Fresh order” shall mean an order placed by the client by which a Fresh MTF Position is taken under the Facility.

“Initial margin” shall mean the amount of margin (either in the form of cash or eligible securities) required by I-Sec to be deposited with it by the Client before undertaking Transactions in MTF.

“Intraday Mark to Market (MTM) process” (also referred to as Mark to Market Loop) shall mean, the act by which, at any time prior to the stipulated time for Auto Square off, I-Sec shall identify all such MTF positions (positions taken in the current settlement as well as PendingForDelivery positions) for which the Available margin is below the Minimum Margin and take steps as mentioned in these Terms and conditions, for collecting the required additional margin or squaring off such positions.

“Limit” shall mean the unutilized amount, primarily arising from the funds / securities allocated or furnished, available with the Client to submit as Margin for future positions that the Client proposes to take or for allocating it towards additional margin requirements on existing positions .

“Margin” shall mean the security offered/provided by the Client, whether in form of cash, securities or Fixed Deposit Receipt (FDR) as may be acceptable to ICICI Securities for due settlement of all the obligations of the Client arising out of or in connection with the Transactions.

“Margin Trading Facility (MTF)” (also referred as Client Mode) shall mean the option under the facility to mark a buy transaction (either at the time of order placement or after such time as permitted by I-Sec after the trade execution) as a transaction which the client intends to maintain beyond the current settlement by providing the necessary margins as prescribed by I-Sec from time to time and settle later by either squaring off the positions or taking delivery of securities by making the outstanding payment within the prescribed time, if any.

“Margin Trading positions” shall mean positions taken under this facility.

“Minimum Margin” shall mean the margin amount, as may be prescribed by I-Sec from time to time, that the Client is required to necessarily maintain with ICICI Securities to safeguard his position under the facility from being squared off, by I-Sec in the Intra day Mark to Market process.

“PendingForDelivery Positions”, shall mean, such MTF position taken in earlier settlements by Client for which Client is required to either bring in money to take delivery or square off such positions within the stipulated time, if any.

“Securities” shall mean the equity shares/stocks of the companies in respect of which I-Sec is offering the Facility.

“Transactions” is conduct of trading in the MTF product by the client through I-Sec.

“Website” shall mean the website at the URL [www.icidirect.com](http://www.icidirect.com), Mobile App, Low Bandwidth Site and other trading front ends maintained by I-Sec from time to time to offer on-line investment and trading in various financial products to the Clients, through different media including but not limited to the Internet, IVR, VSATs, CallTrade, Mobile, WAP, physical outlets, kiosks.

## PRODUCT FEATURES

Margin Trading Facility hereinafter referred to as “MARGIN TRADING” or “MTF”, is a facility offered by I-Sec which allows the Client to take positions by providing prescribed margin and the balance amount is funded by I-Sec to meet the pay-in obligation of the Client, Client can later take delivery either by making the necessary funds settlement or square up such positions. The client agrees that any fresh position under MTF shall be allowed to be created only when client has provided Initial Margin required for such position in such form as specified by I-Sec. The balance obligation would be funded by I-Sec and will be paid to the stock exchange for meeting the client’s pay-in obligation. Client then needs to ensure that the available margin is always above the Minimum Margin specified by I-Sec to avoid squaring off the positions.

Margin Trading orders will be allowed only if the order prices are within the daily price range decided by the Exchange and within the daily price range as decided by I-Sec, if any, from time to time. If the order price is not within the above price range, such Fresh order(s) would be rejected.

The client understands that the positions will be permitted to be continued upon fulfillment of the necessary Margin requirements as specified by I-Sec for the particular scrip from time to time. The Client agrees that though presently there is no maximum time limit prescribed by I-Sec for keeping the positions open, I-Sec reserves the right at its discretion to stipulate a maximum time within which Client will have to take the delivery thereof.

The client understands that securities purchased by the Client which are pending to be settled can be viewed by the Client on the ‘Pending for delivery’ page of his [www.icidirect.com](http://www.icidirect.com) account.

The client understands that if he has already placed a MTF order or has an MTF position in a security on a day, the client will not be permitted to place subsequent orders in the “Broker square off” mode in the same security and vice versa. However, the client will be provided the option of changing the square off mode of all the open

positions to "Broker Square off" after which fresh orders in that security can be placed under the "Broker Square off" mode and vice versa.

With respect to every PendingForDelivery position, the Client will have the following options under the facility:

i. Switch the position to "Broker square off" on the day of taking position . The option can be exercised only prior to the trigger of the AUTO SQUARE OFF process on a given day.

ii Make additions to the margin amount on a position anytime prior to the trigger of the AUTO SQUARE OFF process till the position(s) is/are permitted to be kept open by I-Sec.

iii. Exercise the option of Convert to Delivery (subject to availability of funds to meet the contractual obligations for the position) anytime till the position(s) is/are permitted to be kept open by I-Sec.

The client understands that the Convert to Delivery option for PendingForDelivery positions can be exercised in the chronological order in which they were created; ie open positions of an earlier settlement have to be closed first; only after which open positions in the later settlements will be permitted to be closed.

The client agrees that, securities purchased by the client shall be retained by I-Sec in its demat account until the client fulfills the contractual obligation for the respective BUY transaction in which the securities are bought. On settlement of the contractual obligations, the securities will be delivered to the linked Demat account of the client.

If the client fails to make the necessary Funds PAYin by the stipulated time (if any), the securities will be sold by I-Sec, at its discretion, in the subsequent settlement(s) for the purpose of settling the outstanding amount.

The client agrees that there can be a short delivery of securities from the Exchange for the PendingForDelivery transaction. For such transactions, the Exchange would either give delivery of shares through market auction or shall closeout the buy transactions as per the Exchange Regulations. All costs and consequences, if any, arising out of such auction or close out shall be fully borne by the client and I-Sec would not be held responsible for any such short delivery received by the client and the consequential impact thereof.

The client agrees that I-Sec may at its discretion, in accordance with its risk management policy, disable certain securities and square off all open positions in such scrip which are not converted to delivery irrespective of margin availability on account of corporate action such as stock split, issue of bonus shares, merger and the like. Client agrees that I-Sec cannot be held liable for any losses arising out of such disablement or squaring off of security.

The Client confirms that he is aware of the charges and other statutory levies as are prevailing and as they apply to the facility. The schedule of charges would be provided to the Client, by

displaying such schedule on the Website. The schedule of charges would be subject to change by I-Sec and statutory levies may change from time to time and client agrees and accepts to comply by these charges.

The client agrees that he/she shall be liable to pay Interest rate @ 0.065% per day or such rate as may be decided from time to time by ICICI Securities Ltd. on all outstanding payment beyond the due date (i.e. pay-in-date) by the client to ICICI Securities Ltd.

The Client understands that under MTF, Client would not be able to take further positions and/or existing positions may be squared off by I-Sec at its discretion on occurrence of any of the following events

:

1) If at any point of time total exposure across all stocks of all the Clients of I-Sec taken together under this facility exceeds the SEBI / Stock Exchange prescribed maximum allowable exposure limit specified for a stock broker. Client agrees that I-Sec may set this limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.

2) If the Client exceeds or is about to exceed the maximum allowable exposure for a single Client. Client understands that SEBI has prescribed a maximum limit for allowing exposure to a single Client. Client agrees that I-Sec may set this single Client exposure limit at its discretion which can be lower than the limits prescribed by SEBI as part of its risk management process.

3) If the total exposure in a particular stock of all the Clients of I-Sec taken together under this facility reaches the maximum allowable limit for that stock as defined by I-Sec.

4) If the exposure in a particular stock by a single Client under this facility reaches the maximum allowable limit for that stock for a single Client as defined by I-Sec.

5) If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF.

6) Any other circumstances due to change in regulatory requirements from time to time or risk management process due to changing market conditions.

The client understands that presently the Margin Trading Facility is offered by I-sec only in BSE. This Facility may be offered subsequently in NSE for which the same terms shall apply unless otherwise communicated. The Client understands that the existing Equity Terms and Conditions displayed on the website shall continue to apply to Margin Broker Square Off Mode product and NSE Margin Client Square Off Mode product (T+5) offered by I-Sec. The terms mentioned herein are applicable only for Margin Trading (Funding) product offered by I-Sec under SEBI circular no. CIR/MRD/DP/54/2017 dated June 13, 2017.

The client understands that I-Sec shall be reporting to stock exchanges on a daily basis the details of client's funded positions/collateral stocks and such other details as may be required by stock exchanges from time to time.

The client understands that client is required to disclose whether he is a promoter or forming of the promoter group of the stock in which he has taken an MTF position or given as collateral which is required for daily reporting to stock exchanges. I-Sec shall provide client a tool on website to disclose his promoter status and client agrees to disclose his/her status for all such stocks. In absence of any such disclosure, I-Sec shall consider the client as a non promoter and will report to stock exchanges accordingly.

#### RISK MANAGEMENT

The Client understands that regulators have prescribed stocks which are eligible to be offered in MTF. Hence, MTF shall not be offered in all the stocks traded on Stock Exchanges. The client agrees that I-Sec shall have the discretion to select securities that will be enabled for trading under the Facility as per its internal risk management policy and the number of stocks enabled for trading under MTF by I-Sec can be smaller than the number of stocks allowed by regulators. The client agrees that I-Sec may require the client to provide such margin (in such form and manner as acceptable to I-Sec) depending on the security and market volatility as it deems fit in its sole discretion as necessary for risk mitigation. This margin requirement may be more than the margin prescribed by SEBI/ stock exchanges. Margin may be taken in cash, Cash equivalent or eligible shares as may be acceptable to I-Sec. In the event the client offers securities as margin to I-Sec, then the Terms and conditions as mentioned under "MARGIN SECURITIES" elsewhere in this Terms and conditions shall apply.

The Client agrees that I-Sec may at its sole discretion, change the margin requirement on the Transactions, in which the Client has taken or proposes to take positions depending on its own risk mitigation measures and without intimating or consulting the client. Due to increased volatility in the prices, the margin requirement may be increased and in such event the Client undertakes to allocate additional funds/securities to continue with the open position. If such Margin requirement is not met, the position may come in MTM loop and may be squared off by I-Sec due to insufficient Margin. The Client undertakes to maintain sufficient Limit in the Equity segment to safeguard the open position from being squared off or pending orders being cancelled.

The Client agrees that under the Facility, Margin shall be blocked at the time of order placement after taking into account the current market price / weighted average price. For market orders, margin shall be blocked considering the order price as the last traded price of the security. In the event the actual trade execution takes place at a price different from the price at which the Margin was blocked, the required Margin would then be re-calculated and the limits would be blocked at the actual Traded Price. In case of order modification also, the required Margin shall be re-calculated and excess margin, if any, shall be released or additional margin needed, if any, will be

blocked. In case the available Margin with I-Sec is insufficient, then the order modification request would get rejected.

The Client understands that the Client's positions are continuously monitored and the Client agrees to provide Margin (including additional Margin) as may be determined by I-Sec from time to time. The Client understands that securities enabled under the facility are continuously tracked and if, during the day, the last traded price for any security moves above or below its previous trading day closing price at such percentage as may be prescribed by I-Sec from time to time, the security will be disabled from further trading in MTF for that day.

If, during the day, a security is in negative compared with the previous trading day closing price then, for that security, all pending MTF orders will be cancelled and all MTF open positions will be squared off at market price.

The Client understands that the Intraday MTM process will be run on a daily basis at discretion of I-Sec, prior to the stipulated time (if any) for the AUTO SQUARE off process. The Client understands that the Intraday MTM process is run separately for the positions marked under the Broker Square Off Mode and MTF (positions taken in the current settlement) and the PendingForDelivery positions. I-Sec reserves the right to decide the timing and frequency for running the Intraday MTM process.

The client confirms that he has read and understood the modalities of the Intraday MTM Process and risk management processes as mentioned herein below and as posted on the website in the form of Frequently Asked Questions (FAQs). The client understands and agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered FAQs.

In the Intra-day MTM process, if it is observed that the Available Margin on the position has fallen below the Minimum Margin required, I-Sec would block additional Margin required from the Limits available. In case Limits are not sufficient to meet the additional Margin requirements then I-Sec may place a square off order at market rate to close the position. However, before placing the square off order all pending orders in MTF in that security may be cancelled by I-Sec.

If the available Limit is not sufficient to meet the demand for additional Margin, I-Sec may close out the open position taken by the Client and the Client shall be solely responsible for any losses arising on account of the same. It shall be the responsibility of the Client to regularly monitor and review the Margin availability and furnish the additional Margin to I-Sec.

The Client agrees that the Mark to Market (MTM) process run by ICICI Securities to call for additional margin on Client positions shall

be considered as online margin call given to the client. Further, the client has been provided with tools on the website itself where he can ascertain details of his existing margin blocked, margins required, MTM loss adjustment, margin shortfall, margin percentage etc. The margin requirement derived by use of these tools and the MTM process run by ICICI Securities to call for additional margin on open positions will be construed as margin call/ demand for the additional margin required by I-Sec. Clients are bound to monitor and review their open positions and margin requirements all the times and furnish the additional margin to the Company. I-Sec reserves the right to close out the open position at any time in case the Client does not satisfy the additional Margin requirements. The Client shall maintain sufficient Limit to provide Margin as and when required by I-Sec. Client agrees that the client's position shall be liquidated if there is margin shortfall while running the daily Intraday MTM process and I-Sec shall not wait further for liquidation of positions. Client agrees that the mode of communication to clients pertaining to order/trade confirmation, margin requirements/shortfall and liquidation of stocks will be electronic through customer's online account.

Client understands that I-Sec has developed an alert mechanism through which clients are alerted on possible breach of margin requirements. Client understands that if available margin on any margin position is highlighted in red colour (or such colour as may be modified by I-Sec from time to time which shall be intimated through website) in the customer's account, it indicates that the available margin on that position has fallen and is very close to breaching the minimum margin requirement but still above required minimum margin. If available margin falls below the minimum margin required on that position, then such position may be squared off in the intraday MTM process if additional margin is not allocated. This too shall be considered as a margin call on that position. Client agrees to allocate additional margin immediately to meet the margin shortfall else such position may be squared off by I-Sec, on best effort basis.

Due to MTM and blocking of Additional Margin, Limits may become lesser over a period of time and because of the same, positions may fall in the MTM loop and may get squared off unless the Client provides fresh Limits.

The Client hereby undertakes to allocate additional Margin voluntarily, on any open position and make available sufficient Margin against the position to avoid square off of the position by I-Sec.

The client understands that Stocks bought under the MTF shall be marked to market on daily basis and collateral stocks shall be revalued frequently. Further, client agrees that no exposure shall be given on increased value of stock funded by I-Sec.

The client understands that additional Margin can be added to an open position by using the "Add Margin" option under the facility.

The Client understands that margin amount on the PendingForDelivery positions, whether allocated by the client himself or by the system in the MTM processes, will be debited/blocked by I-Sec from/in the Client's linked Bank account on a daily basis.

The client understands that if he fails to provide the necessary amount for meeting the Additional Margin requirement for PendingForDelivery positions during the period it is being carried forward or the Payin amount needed to enable delivery of securities within the stipulated time, I-Sec would have the discretion to square off the open position in the AUTO SQUARE OFF process, after the stipulated time ( if any).

Presently, I-Sec has not stipulated any time for running AUTO SQUARE OFF process i.e. no maximum time limit for compulsorily taking delivery of positions or for squaring off positions before a specified period. However, I-Sec may later specify a time period for the same at its discretion which shall be communicated to Clients accordingly. I-Sec shall have the sole discretion to decide upon the frequency and timing of the AUTO SQUARE OFF process if the same is introduced by I-Sec.

In the AUTO SQUARE OFF process, I-Sec shall, at its discretion, In case of PendingForDelivery positions, square off all such positions for which the permitted period(if specified by I-Sec) for keeping the position open has expired and which have neither been squared off nor Converted to Delivery by Client within the stipulated time.

The Client agrees that I-Sec would not be liable in the event for reasons including but not limited to lack of adequate offered quantity, the entire quantity of the square off order placed by the client is not fully executed upto the Limit Price. In such a scenario, I-Sec would, at the time of the AUTO SQUARE OFF process, cancel these unexecuted square off orders and place square off orders at Market prices so that such orders can be squared off immediately at market prices. Any loss arising out of such square off would be fully borne by the Client.

The client confirms that he has read and understood the modalities of the AUTO SQUARE OFF and EOD MTM process as mentioned herein and as posted on the website in the form of FAQs . The client agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered FAQs.

The Client agrees that I-Sec would have the discretion to square off, without giving any notice, the client's position and cancelling pending orders under the facility in following circumstances:

i. If the Available Margin in any security has fallen below the Minimum Margin and the Client has not taken any steps either to replenish the margin or square up the open position. The MTM process run by ICICI Securities to call for additional margin shall be considered as online margin call given to the client.

ii. All positions under the MTF in a particular security, if the last traded price for that security moves by a particular percentage as maybe specified by I-Sec from time to time, below its previous trading day closing price.

iii. All positions under the MTF in a particular security, if such security is shifted from a higher price band/ no price band category to a lower price band category or is shifted from Normal to Trade to Trade (i.e under compulsory delivery ) category as maybe specified by I-Sec from time to time.

iv. All other cases where the margin or security placed by the Client falls short of the requirement or where the limits given to the Client has been breached or where the Client has defaulted on his existing obligation.

v SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that I-Sec reserves the right to decide the securities which it may accept as margin from clients.

vi. If the stock moves out from the list of eligible stocks under MTF and becomes ineligible for offering under MTF as per SEBI defined norms.

Client agrees that although the auto square off trigger point is pre-defined, subsequent to which I-Sec could exercise its discretion to carry out the square off within a reasonable period of time, the actual execution could happen at a price different from the trigger point and the Client agree to bear the loss based on actual executed price. I-Sec shall also have the right to cancel any or all open orders and/ or close any or all outstanding positions. Client understands that in case the AUTO SQUARE OFF does not take place due to any reason whatsoever, I-Sec shall, at its discretion, exercise the option of CTD (Convert to Delivery).

If CTD also fails due to non-availability/shortage of funds in the linked bank account, then for the open MTF position, the shares will not be delivered to the Client and I-Sec will liquidate the shares anytime. Consequently, the Client will be responsible for any resulting losses, brokerage and all associated costs including penalty levied by the Exchange.

a) EOD MTM PROCESS

The Client understands that the End of Day Mark to Market (EOD MTM) Process will be run on a daily basis for all PendingForDelivery positions. The process will be run security-wise for each client, in which all PendingForDelivery positions of the client in various settlements will be cumulated and considered as a single unit for further processing in the EOD MTM activity. Under the process, the system will compare the security-wise cumulative Available Margin against the cumulative Minimum Margin requirement for the PendingForDelivery positions in that security. If the security-wise Cumulative Available Margin is less than the security-wise Cumulative Minimum Margin required across all the positions in that security, Additional margin requirement will be calculated for such security. The Additional Margin will be blocked from the allocated amount and Limits shall be reduced by the amount so blocked.

b) CALLS FOR ADDITIONAL COLLATERAL AND LIQUIDATION

If it is considered necessary for its own protection, I-Sec may require the Client/s to immediately deposit cash or collateral into their account prior to any applicable settlement date in order to assure due performance of their open contractual commitments. If Client/s do not provide the additional cash or collateral, Client/s hereby understand and acknowledge that I-Sec has the right to sell any or all securities and other property in their account, buy any or all securities and other property which may be short in their account, cancel any or all open orders and/or close any or all outstanding contracts. In addition, Client/s understand and agree that I-Sec may exercise any or all of the above rights without demand for additional cash or collateral, or notice of sale or purchase, or other notice or advertisement. Any such sales or purchases may be made at any time at I-Sec's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, or I-Sec may be the purchaser/seller for its own account.

OTHER RIGHTS OF ISEC UNDER THE FACILITY

I-Sec, at its sole discretion, reserves the right to either temporarily or permanently, withdraw or suspend the Facility at any time without giving any notice or assigning any reason for the same, whether in respect of one or more Clients. In case of a temporary withdrawal, the privileges may be reinstated by I-Sec at its sole discretion.

I-Sec shall decide upon the list of Securities in which the Clients would be permitted to take Fresh Margin Trading Positions under the Facility. This list of Securities would be provided to the Client, by displaying such list on the Website. Such list of Securities would be subject to change by I-Sec from time to time. I-Sec may also at its sole discretion decide to withdraw a particular security from the list without notice to the clients and without assigning any reasons whatsoever.

I-Sec shall decide upon the Security specific Margin applicable for taking Fresh Margin Trading Positions in various Securities under the Facility. I-Sec reserves the right to alter the Security specific Margin applicable for a Security without notice to the Client and without assigning any reasons whatsoever. The Security-specific Margin rates, would be provided to the Client, by displaying such list on the Website. Client understands that I-Sec may impose margins higher than the margin requirements prescribed by SEBI/ Stock Exchanges.

The Client agrees that in case of insufficient Limits, to safeguard its interest I-Sec may, at its discretion, block and debit any unallocated funds lying in Client's Bank Account integrated with the Account and /or debit securities lying in Client's demat account integrated with the Account towards dues recoverable from the client.

No delay in exercising or omission to exercise any right, power or remedy accruing to I-Sec upon any default by the Client or otherwise under these Right and Obligations document or the Client Agreement shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of I-Sec in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of I-Sec in respect of any other default. The rights of I-Sec under these Terms and Conditions and the Client Agreement are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at the sole discretion of I-Sec.

Client agrees that in case of any disagreement or dispute pertaining to transactions done under MTF, client shall lodge the complaint with I-Se within 30 days of execution of the disputed transaction or such other time as maybe specified by I-Sec from time to time.

#### CLIENT AUTHORISATIONS AND INDEMNITIES

The Client agrees and undertakes to provide I-Sec with all the documents and particulars, which may be required by I-Sec, pursuant to the Client availing of this Facility.

The use of this facility is entirely voluntary and the facility has to be used in accordance with the applicable rules/ regulations/ guidelines specified by the Securities and Exchange Board of India and other competent authorities from time to time. I-Sec disclaims all liability for any loss caused to the Client out of the purchase or sale of securities through use of this facility.

The Client agrees that the Frequently Asked Questions (FAQs) for the MTF , as posted on the website, are an integral part of this Terms and Conditions. The client acknowledges as having read and the understood these FAQs. The client understands and agrees that I-Sec shall be entitled to modify/alter/update the said FAQs and such a change shall be displayed on the website. The continued use of

the Facility by the Client shall be deemed to be an acceptance by the Client that he has read and understood the modified/altered FAQs.

The Client hereby directs and authorises ICICI Bank Limited as the Depository Participant to act on the directions given by I-Sec pursuant to the terms and conditions mentioned herein, power of attorney and Client Agreement executed by the Client in favour of/ with I-Sec.

The Client hereby agrees and undertakes not to hold ICICI Bank Limited (Depository Participant), I-Sec and ICICI Bank Limited (the bank) liable for any claim, action, grievance or dispute that the Client may suffer and shall indemnify and save harmless ICICI Bank Limited (Depository Participant), I-Sec and ICICI Bank Limited (the bank) from any claim, action, dispute or grievance that any third party may have, on account of ICICI Bank Limited (Depository Participant), I-Sec and/ or ICICI Bank Limited (the bank) having acted in pursuance of the directions and/or authorisations of the Client and/or I-Sec.

Under no circumstances shall I-Sec be liable to the Client for indirect, incidental, consequential, special or exemplary damages arising from or in connection with the Facility provided to the Client, even if I-Sec have been advised of the possibility of such damages, such as, but not limited to, loss of revenue or anticipated profits or lost business.

The Client agrees and understands that the client shall, at all times, be responsible for the client's investment decisions and/or orders placed, or applications preferred by the Client, either electronically or otherwise. ICICI Securities shall not be deemed to have received any electronically transmitted order or application until ICICI Securities has confirmed the receipt of such an order or application. The client further understands that trading through [www.icicidirect.com](http://www.icicidirect.com) or other trading platforms provided by I-Sec 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. The client understands and agrees that although these problems may be temporary in nature, in case when the client has outstanding open positions or unexecuted orders, these represent a risk because of the client's obligations to settle all executed transactions. The Client understands that placing an order with ICICI Securities, either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. The Client shall not hold, nor seek to hold, ICICI Securities and/or any of

its officers, directors, employees, agents, subsidiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client due to exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the Internet, unauthorised access, theft, or any problem, technological or otherwise, or other condition beyond the control of ICICI Securities that might prevent the Client from entering an order or ICICI Securities, from executing an order.

### C. MARGIN SECURITIES

The Margin Securities would constitute the security towards due performance of the Client's obligations, commitments, operations, obligations and liabilities arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by the Client.

The Client undertakes that the Margin Securities shall be owned by the Client and shall be free of any charge, lien or other encumbrances at the time of offering the same towards margin to ICICI Securities. The client understands that I-Sec shall apply applicable haircut on the value of margin securities for giving exposure limits.

The client understands that securities provided as margin can be withdrawn by the client only to the extent of free limits available in trading account.

The client agrees that ICICI Securities shall have right to accept FDRs only from banks specified by ICICI Securities from time to time. The client understands that FDRs provided as margin can be withdrawn by the client only as per the terms specified by I-Sec from time to time.

SEBI/ Stock Exchanges have specified category of securities which are eligible to be accepted as collateral towards MTF by the stock broker. The client agrees that if specific stock given by the client towards collateral moves out of the eligible list of securities, then the limit given against such stock shall be withdrawn by I-Sec immediately. In view of the same, MTF open positions of the client may fall under MTM loop due to shortage of margin and positions may get squared off if sufficient additional margin is not replenished by the client. Client agrees that I-Sec reserves the right to decide the securities which it may accept as margin from clients.

The Client agrees that the Client shall furnish additional Margin Securities as may be required by ICICI Securities from time to time. Collateral stocks shall be either blocked/pledged by I-Sec in client's demat a/c or will be debited from client's demat a/c to be held by I-Sec as per its discretion. Stocks bought under MTF and not paid for by the client too shall be held by I-Sec as a security towards outstanding payment. The collateral stocks and funded stocks shall be released by I-Sec only when the client has cleared all the outstanding dues payable to I-Sec.

The Client agrees that the Client shall not, without ICICI Securities' prior written permission, create any charge, lien or encumbrance of any kind over the Margin Securities offered to ICICI Securities and further that, the Client shall not do or allow anything to be done that may prejudice the interest of ICICI Securities in respect of the Margin Securities while the Client remains liable to ICICI Securities, in any manner whatsoever, without the prior written permission of ICICI Securities.

**1. POWER OF ATTORNEY:**

The Client agrees and acknowledges that pursuant to the Power of Attorney executed by the Client in favour of ICICI Securities, ICICI Securities shall be entitled to submit necessary documents on behalf of the Client to ICICI Bank Limited, acting as the Depository Participant, for enabling the Depository to block the securities or mark a pledge in favour of ICICI Securities in respect of the Margin Securities and also submit further documents on behalf of the Client to request the Depository to remove the pledge/block created with respect of the Margin Securities.

ICICI Securities shall also be entitled to give such instructions to ICICI Bank Limited acting as the Depository Participant to block/mark a lien on the Margin Securities offered by the Client and upon such instructions, the Client shall not be able to deal or trade in such Margin Securities without consent of ICICI Securities.

**2. ENFORCEMENT OF SECURITY:**

If in the opinion of ICICI Securities, the Client has failed to perform and/or failed to fulfill any of its engagements, commitments, operations, obligations or liabilities as a Client of ICICI Securities including for any sums being due by him to ICICI Securities or to any other party arising out of or incidental to any Transactions made, executed, undertaken, carried out or entered into by it or in terms of regulations, laws, rules governing ICICI Securities or the Client in this behalf, then the Client agrees that ICICI Securities without giving any notice to the Client except through the margin call process as mentioned in these terms in relevant sections, shall be empowered/entitled to invoke pledge, sell, dispose of or otherwise effect any transfer of any or all of the Margin Securities in such manner and subject to such terms and conditions as it may deem fit and that the money realized, if any, from such sale/disposal/transfer subject to dues payable to ICICI Securities for such sale/ disposal/or other transfer shall be utilized/dispensed by ICICI Securities in such manner and subject to terms and conditions as it may deem fit. Further, the Client shall do all such things, deeds, acts and execute all such documents as are necessary to enable ICICI Securities to effect such sale/disposal/ transfer. All decisions by ICICI Securities in respect of the obligations or liabilities or commitments of the Client and the amount claimed in respect thereof shall be binding on the Client. The Client agrees that ICICI Securities shall not be under any liability

whatsoever to the Client or any other person for any loss, damage, expenses, costs etc, either actual or notional, consequent to such sale/disposal/ transfer.

If the total amounts realized from such sale/disposal/transfer is insufficient to fulfill the Client's engagements, commitments, operations, obligations or liabilities in entirety, the Client shall, forthwith and without demur, upon being requested by ICICI Securities, furnish the balance amount together with interest at such rate as decided by ICICI Securities and for costs and expenses from time to time. ICICI Securities shall also have the right to sell/dispose/ transfer any other securities of the Client, at the cost of the Client and without intimation to the Client.

The Margin Securities shall be at the disposal of ICICI Securities and remain available in respect of the obligations, liabilities or commitments of the Client and may be utilized with the discretion of ICICI Securities.

The Client agrees that ICICI Securities shall be entitled to sell, pledge, block / unblock, deal with or otherwise transfer the Margin Securities to any third party, including the Clearing Corporation/House of the respective exchanges (if acceptable by exchanges )and declare to the third party that all the Margin Securities are being provided to such parties as securities being the unencumbered, absolute and disposable property of ICICI Securities and free from any prior charge, lien or encumbrance, and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose. ICICI Securities shall be entitled to receive from the Client all costs, charges, expenses incurred by ICICI Securities for the aforesaid purposes as well as any consent, ratification or the like which shall not be withheld or delayed for any reason and in case of failure of which ICICI Securities is hereby permitted and authorized to provide the same for and on behalf of the Client.

Further that it is hereby agreed that benefits such as dividends, bonus, redemption benefits, interest accruing on the Margin Securities during the period of transfer except post invocation of the pledge in favour of ICICI Securities or selling or disposing or otherwise effecting any transfer of the Margin Securities above shall accrue to the Client and the Client shall be entitled to receive the same from ICICI Securities.

The Client agrees that the Margin Securities shall continue to be available to ICICI Securities under the facility and the same shall not be affected in any manner whatsoever by any action by ICICI Securities against the Client including suspension or termination of any of the Account with ICICI Securities or of the facility.

I/We confirm having read and understood the above terms and agree to be bound these terms.

## **RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORISED PERSON AND CLIENTS AS PRESCRIBED BY SEBI AND COMMODITY EXCHANGES**

1. The client shall invest/trade in those commodities / contracts / other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules / Regulations of Exchanges / SEBI and circulars / notices issued there under from time to time.
  2. The Member, Authorized Person & the client shall be bound by all the Rules, Byelaws & Business Rules of the Exchange & circulars/ notices issued there under & Rules & Regulations of SEBI & relevant notifications of Government authorities as may be in force from time to time.
  3. The client shall satisfy himself of the capacity of the Member to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.
  4. The Member shall continuously satisfy itself about the genuineness & financial soundness of the client & investment objectives relevant to the services to be provided.
  5. The Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.
  6. Requirements of professional diligence a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it. b. "Professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with :
    - i. Honest market practice;
    - ii. The principle of good faith;
    - iii. The level of knowledge, experience & expertise of the Client;
    - iv. The nature and degree of risk embodied in the financial product\* or financial service being availed by the Client; and
    - v. The extent of dependence of the Client on the Member.
- \*Commodity derivative contract
7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

### **CLIENT INFORMATION**

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-

mandatory; therefore, subject to specific acceptance by the client.  
10. The client shall immediately notify the Member 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 Member on a periodic basis.

11. A. Protection from unfair terms in financial contracts\*\*

a. An unfair term of a non-negotiated contract will be void.

b. A term is unfair if it :

i. Causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and

ii. Is not reasonably necessary to protect the legitimate interests of the Member.

c. The factors to be taken into account while determining whether a term is unfair, include :

i. The nature of the financial product or financial service dealt with under the financial contract;

ii. The extent of transparency of the term;

\*\*Contracts offered by commodity exchanges

iii. The extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and

iv. The financial contract as a whole and the terms of any other contract on which it is dependent.

d. A term is transparent if it :

i. Is expressed in reasonably plain language that is likely to be understood by the Client;

ii. Is legible and presented clearly; and

iii. Is readily available to the Client affected by the term.

e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

11. B.

a. "Non-negotiated contract" means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes

i. A financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and

ii. A standard form contract.

b. "Standard form contract" means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point

### 11.C.

c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a nonnegotiated contract if so indicated by :

i. An overall and substantial assessment of the financial contract; and

ii. The substantial circumstances surrounding the financial are not negotiated between the parties to the financial contract and includes

i. A financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and

ii. A standard form contract.

d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

### 11. C.

a. The above does not apply to a term of a financial contract if it :

i. Defines the subject matter of the financial contract;

ii. Sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or

iii. Is required, or expressly permitted, under any law or regulations.

b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non-occurrence of any particular event.

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

13. A. Protection of personal information and confidentiality

a. "Personal information" means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes :

i. Name and contact information;

ii. Biometric information, in case of individuals

iii. Information relating to transactions in, or holdings of, financial products

iv. Information relating to the use of financial services; or

v. Such other information as may be specified.

### 13. B.

a. A Member must :

i. Not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;

ii. Maintain the confidentiality of personal information relating to

Clients and not disclose it to a third party, except in a manner expressly permitted under point

13.B.b.;

iii. Make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;

iv. Ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and

v. Allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.

b. A Member may disclose personal information relating to a Client to a third party only if :

i. It has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;

ii. The Client has directed the disclosure to be made;

iii. The Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

iv. The disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

v. The disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member :

1. Informs the Client in advance that the personal information may be shared with a third party; and

2. Makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or

vi. The disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

14. A Requirement of fair disclosure both initially and on continuing basis

a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.

b. In order to constitute fair disclosure, the information must be provided :

i. Sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;

- ii. In writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
- iii. In a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.
- c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding :
  - i. Main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
  - ii. Consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
  - iii. Existence, exclusion or effect of any term in the financial product or financial contract;
  - iv. Nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
  - v. Contact details of the Member & the methods of communication to be used between the Member & the Client;
  - vi. Rights of the Client to rescind a financial contract within a specified period; or
  - vii. Rights of the Client under any law or regulations.

#### 14. B.

- a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures :
  - i. Any material change to the information that was required to be disclosed under point 14.A at the time when the client initially availed the financial product or financial service;
  - ii. Information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
  - iii. Any other information that may be specified.
- b. A continuing disclosure must be made :
  - i. Within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
  - ii. In writing and in a manner that is likely to be understood by a Client belonging to that category.

#### MARGINS

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member 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 Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

16. 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

17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

18. The Member 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 commodity exchange where the trade is executed.

19. The Member shall ensure that the money 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 Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.

20. 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, Member shall be entitled to cancel the respective contract(s) with client(s).

21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars / notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars / notices issued thereunder.

#### BROKERAGE

22. The Client shall pay to the Member 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 Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant commodity exchanges and/or Rules of SEBI.

#### LIQUIDATION AND CLOSE OUT OF POSITION

23. Without prejudice to the Member's other rights (including the right to refer a matter to arbitration), the client understands that the

Member shall be entitled to liquidate/close out all or any of the client's positions for nonpayment 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 & borne by the client.

24. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the client has ordered to be bought or sold, Member 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/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

#### DISPUTE RESOLUTION

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.

26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws & Business Rules of the Exchanges where the trade is executed and circulars / notices issued thereunder as may be in force from time to time.

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

28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients

a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.

b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of :

i. The Client's right to seek redress for any complaints; and

ii. The processes followed by the Member to receive and redress complaints from its Clients.

29. A. Suitability of advice for the Client: Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.

a. A Member must :

i. Make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and

ii. Ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.

b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.

c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for client, the Member :

i. Must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and

ii. May provide the financial product or financial service requested by the Client only after complying with point

29. A.a & obtaining a written acknowledgment from the Client.

30. Dealing with conflict of interest: In case of any conflict between the interests of a Client and that of the Member, preference must be given to the Client interests.

a. A member must :

i. Provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and

ii. Give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between :

1. Its own interests and the interests of the Client; or

2. The interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.

b. The information under point 16a.i. must be given to the Client in writing & in a manner that is likely to be understood by the Client and a written acknowledgment of the receipt of the information should be obtained from the Client.

c. In this section, "conflicted remuneration" means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients, that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

#### TERMINATION OF RELATIONSHIP

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.

32. The Member, Authorized Person and the client shall be entitled to terminate the relationship between them without giving any

reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in / be binding on the respective parties or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

33. In the event of demise/insolvency of the Authorized Person or the cancellation of his / its registration with the Board or/withdrawal of recognition of the Authorized Person by the commodity exchange and/or termination of the agreement with the Authorized Person by the Member, 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 Member and all clauses in the 'Rights and Obligations' document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

#### ADDITIONAL RIGHTS AND OBLIGATIONS

34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI & the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients 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 Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on 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.

37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities 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 immediately but not later than 30

calendar days of receipt thereof, to the Member. A detailed statement of accounts must be sent every month to all the clients in physical form. The proof of delivery of the same should be preserved by the Member.

38. The Member shall send margin statements to the clients on monthly basis. 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, warehouse receipts, securities etc.

39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member 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.

40. In case, where a member surrenders his / her / its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.

41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct a. Unfair conduct in relation to financial products or financial services is prohibited.

b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes :

- i. Misleading conduct under point 41.B
- ii. Abusive conduct under point 41.C
- iii. Such other conduct as may be specified.

41. B.

a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves :

- i. Providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
- ii. Providing accurate information to the Client in a manner that is deceptive.

b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" :

- i. The main characteristics of a financial product or financial service, including its features, benefits & risks to the Client;

- ii. The Client's need for a particular financial product or financial service or its suitability for the Client;
- iii. The consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
- iv. The existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
- v. The nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and vi. The rights of the Client under any law or regulations.

#### 41.C.

- a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it :
  - i. Involves the use of coercion or undue influence; and
  - ii. Causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
- b. In determining whether a conduct uses coercion or undue influence, the following must be considered :
  - i. The timing, location, nature or persistence of the conduct;
  - ii. The use of threatening or abusive language or behavior;
  - iii. The exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
  - iv. Any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including
  - v. The right to terminate the financial contract;
  - vi. The right to switch to another financial product or another Member and
  - vii. A threat to take any action, depending on the circumstances in which the threat is made.

#### ELECTRONIC CONTRACT NOTES (ECN)

\*42. 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.

43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable 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.

\* Substituted with Clause 37 of Annexure-4: 'Rights and Obligations of Stock Brokers and Clients' of SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011 pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/33 dated March 11 2020.

44. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.

45. The Member shall retain ECN and acknowledgment 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/circulars/guidelines issued by SEBI / Commodity 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 Member for the specified period under the extant rules / circulars / guidelines issued by SEBI / Commodity 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 Member 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 rules/ circulars/guidelines issued by SEBI/Commodity exchanges.

46. The Member 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 Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI / commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.

47. In addition to the e-mail communication of the ECNs to the client, the Member 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**

**\*\*48. [\*\*]**

49. In addition to the specific rights set out in this document, the Member, Authorised Person and the client shall be entitled to exercise any other rights which the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.

50. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant commodity exchanges, where the trade is executed, that may be in force from time to time.

**\*\* Omitted by SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/33 dated March 11 2020.**

51. The Member 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, if either party is not satisfied with the arbitration award.

52. 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/Business Rules and circulars / notices issued thereunder of the Exchanges / SEBI.

53. All additional voluntary/non mandatory clauses/document added by the Member should not be in contravention with Rules / Business Rules / 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.

54. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity 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.

55. Members are required to send account statement to their clients every month in physical form.

#### INTERNET AND WIRELESS TECHNOLOGY BASED

#### TRADING FACILITY PROVIDED BY MEMBERS 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. Member is eligible for providing Internet based trading (IBT) and commodities 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 Member shall comply with all requirements applicable to internet based trading/-commodities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.

2. The client is desirous of investing / trading in commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI / Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges / SEBI.

3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with

commodities trading through wireless technology / internet or any other technology should be brought to the notice of the client by the Member.

4. The Member shall make the client aware that the Member'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 whatsoever through the Member'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/ commodities 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 Member.

6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member'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 / commodities 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 Member 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 Member 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 Member and the Exchange do not make any representation or warranty that the Member'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 Member on account of any suspension, interruption, non-availability or malfunctioning of the Member'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 / Members / Exchange end for any reason beyond the control of the Member / Exchanges.

## RISK DISCLOSURE DOCUMENT FOR SECURITIES MARKET.

This document contains important information on trading in Equities/ Commodities /Derivatives Segments of the exchanges. All prospective constituents should read this document before trading in Equities/ Commodities / Derivatives Segments of the Exchanges. 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 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. You should, therefore, study derivatives trading carefully before becoming involved in it. 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, Commodities derivatives contracts or other instruments traded on the 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 Exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and 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 & no contract can be rescinded on that account. You must acknowledge & 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 Exchanges. It must be clearly understood by you that your dealings on 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 exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by exchanges or its Clearing Corporation and in force from time to time. 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 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/investment advice. No consideration to trade should be made without thoroughly understanding & reviewing 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: Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

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 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 actively securities / commodities /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:

a. 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.

b. Buying / Selling without intention of giving and / or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative contracts may have to be squared-off at a low / high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such commodities.

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 predetermined 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 / principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives 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 eg. 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. Deposited cash and property: You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.
    - 4.2. Commission and other charges: Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you

will be liable. These charges will affect your net profit (if any) or increase your loss.

4.3. For rights and obligations of the Members/Authorised Persons/ clients, please refer to Annexure 1.

4.4 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.

4.5 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.

**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 exchange websites [www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com) / [www.mcx-sx.com](http://www.mcx-sx.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 subbroker/ authorised person. 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/subbroker/authorised person 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/authorised person have been mandated by SEBI to designate an mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## POLICIES AND PROCEDURES PERTAINING TO DEALING WITH CLIENTS

### **A. Refusal of order(s) from the clients including for penny stocks**

ICICI Securities Ltd (hereinafter referred as I-Sec) normally offer trad-ing facility in most of the compulsory dematerialized stocks and which are listed of on the stock exchanges. The stocks offered by I-Sec are duly updated on [www.icicidirect.com](http://www.icicidirect.com) (hereinafter referred as website). Please note that some of the stocks/ commodities such as

- Penny stocks which is generally understood to be stocks quoted below 10/-. I-sec reserves the right to charge minimum brokerage on penny stocks
- scrips not traded in compulsorily dematerialized mode
- scrips which do not meet internal risk and surveillance criteria are not allowed by I-Sec for trading. Any ex-isting scrip enabled for trading may be deactivated by I-Sec as and when such scrips meet the criteria as defined by I-Sec even if the Client had bought such scrips through I-Sec thereby restricting the Client's ability to sell the scrip. Being a penny stock, is not a criteria for enabling / disabling, though the same may be considered. I-Sec cannot be held responsible for any losses, if any, arising due to deactivation of the scrip. Clients may contact our customer service helpline for enabling the specific stocks in which trad-ing is not allowed by I-Sec. However, I-Sec may not enable all such stocks which are requested by the cli-ents if the same are not meeting the internal criteria as defined by the Company from time to time. Fur-ther, I-Sec may also at any time, at its sole discretion and without prior notice to the client, prohibit or re-strict client's access to the use of the web-site or re-lated services or in any specific security and client's ability to trade.

### **B. Client Exposure Limits**

From time to time I-Sec may impose and vary limits on the orders placed by client or orders to be placed by client, including client ad hoc margin , security ad hoc margin, exposure limits, turnover lim-its, limits as to numbers etc. I-Sec may demand additional margin in the form of cash, securities if there are requirement for margin top up. This additional margin would be in addition to the initial margin, which may be higher than margin prescribed by the Ex-change.

### **C. Squaring off / Closing client open positions and sell out of client securities/commodities without notice**

I-Sec shall have the discretion to square off the open positions of client in following circumstances. Square off / close out the client open positions may happen at any of the exchanges and it can happen at either market price or limit price. I-Sec reserves the right to decide the limit price keeping in view of the size of the order and the depth of the market. Specific features of each and every product are updated on the Frequently Asked Questions and also in Terms and Conditions which is updated on the website of the Company. Clients are bound by such online terms and conditions and the FAQs posted on the website. The conditions related to squaring off/close out of the clients' open positions and also liquidation in Cash Equity, Equity Derivative, Commodity futures & option and Currency Derivative segments are broadly included as:

- 1 I-Sec offers/ may offer various intraday products in Equity, Equity derivative, Currency derivatives and Commodity futures & option segment. If the client does not square off his open positions before the EOS (end of settlement) time (as updated on our website) or the client does not convert the open positions to delivery or does not opt for client square off mode (in case of equity) or does not convert to Futures (in case of Future Plus), I-Sec would square off/close out the open positions. On the days of high market volatility, I-Sec reserves the right to change the EOS timings by either pre-poning or postponing the same. Further, whenever any stock/ or underlying contract breaches the internally prescribed percentage, I-Sec may square off the existing open positions without giving any prior notice to the customers since such squaring off is not dependent upon margin availability in Client's account.
- 2 I-Sec does not guarantee to square off the open positions of the clients, whenever there are margins shortages or the prices moved beyond the prescribed percentage. The clients are solely responsible for the trading decisions taken by them. In case of any debit balance, clients have to make good losses without demur, immediately. I-Sec has the right to block/pledge the shares of the client which are lying in his designated and linked demat account, sale of those stocks to recover its dues and debit funds from the designated and linked bank account or ledger.
- 3 For Equity, Commodity future & option and Currency derivatives contracts, the client has to maintain applicable minimum margin all the time i.e. till positions are open. I-Sec reserves the right to revise the margin requirements at any point of

time and if the client does not meet the margin requirements, I-Sec has the right to square off the open positions to the extent that the existing margin after deducting intraday MTM losses meets the revised Initial

Margin requirements of I-Sec for the remaining open positions. I-Sec at its sole discretion may or may not exercise the rights to square off the positions which are not meeting the margin requirements. Further, the client has been provided with tool on the website itself where he can ascertain details of his existing margin blocked, margins required, MTM loss adjustment, margin percentage etc. The margin requirement derived by use of these tools will be construed as demand for the additional margin required by I-Sec. I-Sec may not inform specific (one to one) clients about the margin requirements/margin top up calls/margin availability before the square off. Clients are bound to monitor and review their open positions and margin requirements all the times and furnish the additional margin to the Company.

- 4 In case of breach in scrip/commodity specific market wide position limit (MWPL) as specified by Exchanges, client will not be allowed to take fresh positions in that scrip but he can square off his existing positions. Square off may be initiated by I-Sec in case of derivatives / commodity future & option when the positions limits (client level, Trading Member level, market level) are breached.
- 5 All clients have to comply with the contract level margin requirements in Equity, commodity future & option and Currency derivatives segments. While squaring off client open positions, I-Sec does not consider the mark to market (MTM) profit on other contracts in portfolio of the clients. I-Sec has the discretion to charge margins at the group of contract level or at portfolio level. To understand the margin calculations and requirements, clients are required to refer on-line information which is updated in FAQs and in the Terms and Conditions.
- 6 While squaring off the open positions, the free limits available in only that specific segment, where client has taken position are considered. While squaring off the open positions, free unallocated bank or ledger or demat balances and the free limits available in other segments are not considered as margin by I-Sec. However, I-Sec reserves the right to debit the free/unallocated balances or block/sale of free/unallocated shares in case of debit balance in the clients account.
- 7 In case the intraday equity products are converted to delivery the client has to meet the pay in obligation within due date i.e. by T+2 day. I-Sec reserves the right to square off required

quantity in case the margin available on such pending delivery positions does not meet I-Sec's margin requirements as provided on the website. In case of intraday F&O/Currency derivatives products, the converted positions are treated at par with normal F&O/Currency derivatives positions.

#### **D. Internal Shortages**

As per the prevailing guidelines, the Trading Members settle with stock exchanges at Trading Member level and at net scrip level basis. However, I-Sec settles transactions with clients at client level and has the scope for internal shortages. The internal shortages are marked against the clients randomly at the discretion of I-Sec. The shares are purchased in the defaulting clients account before T+3 day and the delivery of shares is given to the buyer by T+6 day. Any change in the policy would be updated on our website.

#### **E. Restriction on further position and closeout of positions**

Client shall be responsible for all his orders, including any orders, which exceed the available limits in his client Account. The client shall credit the required fund to his linked Bank Account with ICICI Bank or ledger promptly to ensure that the payment shall be received and processed on or prior to the settlement date or a date intimated by the I-Sec, whichever is earlier. If the payment is not received as afore-said, then I-Sec may square off the same without any prior intimation to the client. In the event of liquidation of the open positions, the client shall be liable for any resultant losses and all associated costs incurred by I-Sec. In addition to these clauses, the conditions specified above in mentioned point number c are also applicable.

The client understands that I-Sec at any point time and on its sole discretion and without prior notice to the client may prohibit or restrict client's access to the use of the web-site or related services or in any specific security and client's ability to trade.

#### **F. Refusal to accept Client request for trades / transactions.**

I-Sec is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any scrip / commodity if transaction in such scrip / commodity is not in accordance with its internal surveillance / risk management policy and/or in accordance with the directives and guidelines of the Exchanges and/or the Regulator issued from time to time. I-Sec may at its sole discretion decline to carry out the instructions for any reason whatsoever.

### **G. Penalty and other charges**

The client shall be liable to pay interest on late payment @ 0.065% per day at such rate (or other rate as may be decided from time to time by ICICI Securities Ltd. ) on all late payment beyond the due date (i.e. pay-in-date) by the client to ICICI Securities Ltd.

### **H. Suspension / Closure of Trading Account**

ICICI Securities may close/suspend the trading account of client pursuant to SEBI directive or for any reason whatsoever, after giving notice as per the requirements to the client of the same. Such notice may also be posted on our website.

Notwithstanding any such closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the closure of account shall continue to subsist and vest in /be binding on the client or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be. Client can initiate suspend/closure of his account by giving 30 days written notice duly acknowledged by I-Sec. Any change in policy would be updated on our website.

### **I. De registering of client**

I-Sec may in its own discretion de register the client. The terms and conditions as specified in the client member Agreements/account opening documents would be applicable.

### **J. Inactive accounts**

A trading account in which no transaction has been executed across any segment of any Exchange or any product for a period of 12 months would be termed as "Inactive" or "Dormant" trading account. Such inactive account shall be temporary deactivated for transaction in all segments and exchanges and will not be allowed further trade till completion of due diligence process and updation of KYC information. However, such clients will continue to transact in other products or services including but not limited to Mutual Fund (Online/ Offline), NPS, IPO, Fixed Deposit (online / offline), primary market transaction in debentures or in any other instruments issued by Companies, Insurance etc.

I have read and understood the above policies.

## **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 BSE - [www.bseindia.com](http://www.bseindia.com), NSE- [www.nseindia.com](http://www.nseindia.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), MCX- [www.mcxindia.com](http://www.mcxindia.com)
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.

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

**General Clause**

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

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

**Beneficial Owner information**

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

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

**Fees/Charges/Tariff**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the

Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that *"no charges are payable for opening of demat accounts"*

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

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

### **Dematerialization**

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

### **Separate Accounts**

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

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

### **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction,

direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

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

### **Statement of account**

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

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

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

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

### **Manner of Closure of Demat account**

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner

shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

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

### **Default in payment of charges**

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

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

### **Liability of the Depository**

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

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

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

### **Freezing/ Defreezing of accounts**

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

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

### **Redressal of Investor grievance**

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

### **Authorized representative**

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

### **Law and Jurisdiction**

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

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

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

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

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

31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

**SCHEDULE OF CHARGES (FOR RESIDENT NON-CORPORATE)****Fee Head****Charges****A. ICICIdirect.com Account**

- |   |                 |  |
|---|-----------------|--|
| 1 | Account Opening | The account opening fees for ICICIdirect.com account is ₹ 975/ |
|---|-----------------|--|

**B. Bank Account**

1. Minimum balance All the new bank accounts opened will have to maintain requirement an average monthly balance of ₹ 5000/-. Failure to do so would result in a fee as per the regulation of ICICI Bank.
2. If trading account is closed or ICICI Bank account is de-linked, then you would have to maintain minimum balance as applicable to the respective type of account with ICICI Bank
3. In case you avail any additional facility / service on the linked ICICI Bank account, then you agree to be bound by the terms and conditions and applicable charges for the relevant facility / service as mandated by ICICI Bank.

**C. Brokerage Account**

\* Customers can select I-Secure Plan. This choice can also be made by logging on to your ICICIdirect.com account after you receive your trading password.

## i. BROKERAGE STRUCTURE

### CASH & BTST BROKERAGE STRUCTURE

ICICIdirect.com I-Secure Brokerage plan

In this brokerage plan 0.55% will be charged irrespective of turnover value in Cash and BTST transaction.

Brokerage ( % age of transaction value ) First leg	Brokerage for Square off order Second Leg *	Effective Brokerage for Square off order
0.55%	Nil	0.275%

\* Within the same settlement the second leg brokerage will be charged on either buy side or sell side of the trading leg based on the aggregate value of the buy or sell transaction whichever is lower.

The minimum brokerage for transactions upto ₹ 6364 on stocks quoting more than ₹ 10 is ₹ 35/- per trade or 2.5% of the trade value whichever is lower. Brokerage rates as mentioned above, will be charged for trade value exceeding ₹ 6364.

Brokerage on stocks quoting upto ₹ 10 would be levied at ₹ 0.05 per share. The total brokerage on such trade would be higher of ₹ 0.05 per share or ₹ 35, subject to maximum of ₹ 0.25 per share. All statutory charges would be levied over and above minimum brokerage.

All Equity SIP transactions would attract brokerage equivalent to Cash segment. The minimum brokerage for transactions up to ₹ 2727 is ₹ 15 or 2.5% whichever is lower. All statutory charges would be levied over and above minimum brokerage. Brokerage rate mentioned above would be levied for trade value exceeding ₹ 2727.

GST and Security Transaction Tax (STT), Transaction charges(inclusive of GST), SEBI turnover charges and Stamp Duty charges will be charged additional as per the applicable rate. (As mentioned on page 65).

<b>2. Margin, Margin Plus</b>	
<b>Total Eligible Turnover</b>	<b>Brokerage</b>
Above ₹ 20 Crores	0.03%
₹ 10 Crores to ₹ 20 Crores	0.035%
₹ 5 Crores to ₹ 10 Crores	0.04%
Less Than ₹ 5 Crores	0.05%

The minimum brokerage upto Rs 50000 would be Rs 25/-per trade or 2.5% of the trade value whichever is lower. Brokerage rates as mentioned above, will be charged for trade value exceeding Rs 50000/-. GST and Securities Transaction Tax (STT), Transaction charges (inclusive of service tax), SEBI turnover charges and Stamp Duty charges will be charged additional as per the applicable rate. (As mention on page 65).

#### **Computation of Brokerage:**

In each leg of transaction, Brokerage @ 0.05% (subject to the minimum of ₹ 25/- per trade or 2.5% of the trade value which ever is lower will be charged). The appropriate rebate will be calculated at the end of each month based on the total value of the transactions, and will be credited to the customer's account.

Late Payment charges will be charged @ 0.05% per day on all delayed payments beyond pay-in date for positions taken under Margin - Client Square Off mode in NSE. GST of 18% will be charged on the Late payment charges.

Interest will be charged @0.05% per day on all outstanding payment beyond pay-in date for positions taken under Margin - Client Square Off mode (Margin Trading Facility) in BSE

### 3. DERIVATIVES BROKERAGE SCHEDULE

For Equity/ Currency Futures		Equity Futures	Currency Futures	Option		
Total Eligible Turnover per month	Bro- kerage (%)	Broker- age on Second leg* of Intra Day Square Off (per	lot) Brokerage on Second leg* of Intra Day Square Off (per lot) Total	Eligible Lots per month	Flat broker- age per lot (₹)	Brokerage on Sec- ond leg* of Intra Day Square Off (per lot)
Above ₹ 20 Crores	0.030	₹ 50/-	₹ 10/-	Above 4800	35	₹ 50/-
₹ 10 Crores to ₹ 20 Crores	0.035	₹ 50/-	₹ 10/-	2401-4800	45	₹ 50/-
				1201-2400	55	₹ 50/-
₹ 5 Crores to ₹ 10 Crores	0.040	₹ 50/-	₹ 10/-	601-1200	65	₹ 50/-
				301-600	75	₹ 50/-
Less Than ₹ 5 Crores	0.050	₹ 50/-	₹ 10/-	51-300	85	₹ 50/-
				1-50	95	₹ 50/-

GST and Security Transaction Tax (STT), Transaction charges (inclusive of GST), SEBI Turnover Charges and Stamp Duty Charges will be charged additional to the above. (As mentioned on Page 65).

\* If you buy and sell the same contract on the same trading day, The second leg brokerage will be charged on either buy side or sell side of the trading leg based on the aggregate value of the buy or sell transaction whichever is lower.

\*Eligible Turnover/Lots for futures /options doesn't include the second leg of the intra-day squared off contracts where 50 per lot has been charged. It also doesn't include contracts where brokerage benefit under i-gain or bullet plan is availed.

#### 4. MF Transaction Charges

The Fees structure for investments in Mutual Funds Units through [www.icicidirect.com](http://www.icicidirect.com) has been revised. Following is the revised Fee structure: GST per Transaction 18% on charges or as applicable time to time.

AUM* Cut Off	Charge Per Transaction	
	Lump sum Purchase	SIP Purchase
Less than ₹ 8 Lakh	₹ 100	₹ 30 or 1.5% whichever is lower
₹ 8 Lakh or More	Nil	Nil

\* The AUM value will be taken as per Value at NAV of your entire MF holdings, at the time of order placement, as seen on your MF Unit Holdings page. Transaction charges will be applied as per the new fee structure, accordingly.

The new fee structure applies to all Mutual Fund purchases (excluding those in Liquid fund schemes), started on or after August 1, 2009. Accordingly, any purchase in Liquid funds will not be levied transaction fees, irrespective of the value of your MF unit holdings.

## 5. Details of Statutory / Regulatory Charges

Charges	Cash / Delivery transactions	Margin / Margin Plus transactions	Futures / FuturePlus	Options
GST	18% on Total value of brokerage			
Securities Transactions Tax	0.1% on Turnover	0.025% on Turnover (Sell Transaction)	0.01% (Trade value in case of SELL trades)	Equity Derivatives : 0.017% on Option Premium in case of SELL trades and 0.125% on intrinsic value** where Option contracts are exercised Currency Derivatives : NIL
Transaction Charges*	0.0028% for BSE & 0.0031% for NSE on Turnover	0.0028% for BSE & 0.0031% for NSE on Turnover	0.00185% (on Turnover)	Equity Derivatives : 0.05% (on Premium amount each side) Currency Derivatives / Option: ₹ 4000 per crore of premium value
SEBI Turn-over Charges	0.0015% on Turnover	0.0015% on Turnover	0.0015% (Trade value and closeout)	Equity Derivatives : 0.0002% (On Premium and Notional value for Exercise /Assignment) Currency Derivatives : ₹ 40 per lakh of Premium Value in case of Currency Options
Stamp Duty	0.01% of Turnover	0.002% of Turnover	0.002% (Trade value and closeout)	0.002% (On Premium and Notional value for Exercise/Assignment)

\* GST on total value of brokerage and applicable charges @ 18% or such other rate as may be prescribed by government from time to time.

# Rates mentioned are applicable in major states. While in some other states stamp duty rates may vary and will be charged on actual basis. Clearing charges for trades done in BSE will be recovered @ 0.02 per trade.

Please note the above charges are subject to changes by Regulatory/ Government Authorities.

ICICI Securities reserves the right to revise brokerage structure/fees/charges, by display of the same on the website ICICIdirect.com.

For more details on the brokerage structure and conditions applicable, please login to [www.icicidirect.com](http://www.icicidirect.com).

\*\*pursuant to Finance (No.2) Act, 2019 and NSE circular no. NSE/FATAX/41919 dated August 20, 2019.

## 6. Details of Charges- Currency and Commodities

Charges	Currency Futures	Currency Options	Commodities Futures	Commodities Options
GST	18% on Total value of brokerage			
STT / CTT	No STT	No STT	01 % on Sell Side *	05% on Sell Side **
Ex-change Transaction Charges	₹ 90 per Cr. of Traded Value for turnover upto Rs.1,000 crs	₹ 3,500 per Cr. of Traded Value for turnover upto 50 crs.	₹ 260 per Cr. of traded value for upto Rs.350 cr.	Nil
SEBI Charges	₹ 10 Per Cr (0.0001%)	₹ 10 Per Cr (0.0001%)	1) For Non Agri: ₹10 per Cr (0.0001%), 2) For Agri: ₹1 per Cr (0.000001%)	₹ 10 per Cr (0.0001%)
Stamp Duty	Varies as per State	Varies as per State	Varies as per State	Varies as per State

\*Except Exempt Agricultural Commodities

\* Price at which commodity futures is sold/ traded

\*\* At Option Premium

\*\* In case of settlement of Option, purchaser needs to pay CTT @ .00001% of Settlement Price

Additionally contribution to NSE Investor Protection Fund Trust shall be recovered @ 0.00005% (₹0.05 per lakh of turnover) for Currency Futures and @ 0.002%(₹ 2 per lakh of premium) on Currency Options.

# NON MANDATORY DOCUMENTS

**"This document is voluntary. Voluntary means that the document is not prescribed by Regulators, however the same is required by ICICI Securities Limited for offering the 3 in 1 or 2 in 1 account i.e. seamless trading platform with integrated bank account, demat account and broking account for 3 in 1 and integrated demat account and broking account for 2 in 1 account. If you do not wish to avail the services of ICICI Bank Limited and ICICI Securities Limited, you need not execute such documents."**

## LETTER OF CONFIRMATION

Date:

To,

ICICI Securities Limited

Shree Sawan Knowledge Park,

Plot No. D-507, T.T.C.Ind. Area,

M.I.D.C., Turbhe, Opp. Juinagar

Railway Station,

Navi Mumbai-400705.

ICICI Bank Limited

ICICI Bank Towers

Bandra Kurla Complex,

Mumbai 400 051.

Dear Sirs,

**Sub: Opening of a integrated 3-in- 1 or 2-in-1 Account for Investment & trading in securities, holding Demater-ialized Securities, Insurance and other financial products.**

I/We refer to my/our application for opening of integrated 3 in 1 Client Account ("Client Account") with ICICI Securities Limited (hereinafter called "ICICI Securities") and integrating the trading account with ICICI Bank Savings/current account with ICICI Bank

Limited (as a Bank hereinafter called "ICICI Bank") and with the Demat account (Dematerialised account in Electronic Form) with ICICI Bank Limited (as a Depository Participant, hereinafter called "ICICI Bank") (hereinafter called "ICICI Bank") Or 2 in 1 Client Account ("Client Account") with ICICI Securities Limited (hereinafter called "ICICI Securities") and integrating the trading account with the Demat account (Dematerialised account in Electronic Form) with ICICI Bank Limited (as a Depository Participant, hereinafter called "ICICI Bank") (hereinafter called "ICICI Bank") and receipt of Right and Obligation document, Risk Disclosure document, Policies and Procedures, Guidance Note and Rights and Obligations of Beneficial Owner and Depository Participant.

In consideration of providing me Right and Obligation document, Risk Disclosure document,

Policies and Procedures and Guidance Note and Rights and Obligations of Beneficial Owner and Depository Participant, I/we hereby agree and confirm that:

**A. CLAUSES SPECIFIC TO OPENING OF TRADING ACCOUNT WITH ICICI SECURITIES LTD.**

1. I/We (hereinafter referred to as "the Client") shall be entitled to transact in such Investment & Insurance Products as are introduced on [www.icicidir-ect.com](http://www.icicidir-ect.com) ("the Website"), the Website maintained by ICICI Securities. These transactions shall include but shall not be limited to transactions for the purchase or sale or an order for the purchase or sale of or an application for any offer or public issue of shares, scrips, stocks, bonds, debentures, units of any Mutual Fund or any other security or financial instrument, derivatives or contracts in derivative admitted for trading on the Derivative Market Segment of the Exchange, Small Savings Schemes, Bonds, Fixed Deposits, Public Provident Fund and Insurance policies, whether life or general or otherwise, or financing on referral basis credit / loan facility (whether secured or

unsecured) or such other products or services that ICICI Securities may in its absolute discretion introduce or offer from time to time (hereinafter referred to as "Investment Products").

**2.A. CLAUSES SPECIFIC FOR DEALING WITH REGISTERED INTERMEDIARIES (AUTHORISED PERSONS)**

- 2.A.1. I/We am/are desirous of availing broking services through the duly registered intermediary (Authorised Person) affiliated to ICICI Securities Limited.

2. A.2 All references herein below my/our interaction with I-Sec, Unless mentioned other wise will be deemed to be through the registered intermediary only, till such time as I/we opt to be the direct client of ICICI Securities Limited

- 2.A.3 I/We are desirous of participating in the trading & investment facility offered by ICICI Securities Limited through its registered intermediary and hence I/ we confer such authority to the registered intermediary to do various acts in relation to the aforesaid accounts in order to give effect to the instructions of and other terms of the documentation executed by me/ us With ICICI Securities, ICICI Bank

(as a Bank) (in case of 3 in 1 facility) and ICICI bank (as a Depository Participant). I agree and undertake that dealings undertaken on my behalf by the registered intermediary would be in the nature of offline trading and only the registered intermediary would be entitled to transact through ICICI Securities website including giving orders and instructions to ICICI Securities and receive confirmations regarding the transactions executed through ICICI Securities Limited. I agree that until such time as I continue to transact through the registered intermediary, I will not be entitled to place orders directly in my account. The facility for direct trading through the website will be made available to me only after I become an online client of ICICI Securities Limited.

2A. 4. I hereby authorize the registered intermediary to operate the linked demat accounts and the bank account (applicable in case of 3 in 1 facility) currently linked to the ICICIdirect.com account in future in order to settle transactions ordered through by ICICI Securities on my/our behalf. In this regard I/ we hereby authorize you to place

purchase/ sale/ redemption orders for securities as defined under the Securities Contracts( Regulation)Act, 1956 offered by ICICI Securities Limited to its customers, allocate fund, modify fund allocation, make requests for application to public issues, modify orders/applications requests, cancel orders, receive information, confirmations regarding transactions on ICICI Securities Limited and accept various terms and conditions, as per the instructions given by me/us to you over phone, electronically, facsimile or in person and do all such related activities on behalf on me/us. Further, I / we authorize the registered intermediary to apply for various services on my/our behalf offered by ICICI Securities Limited. I / we however, are not conferring any authority on the registered intermediary to directly withdraw / transfer funds/demat shares from my/our above referred bank account and demat account(s). The registered intermediary will have a limited access to the bank and demat accounts through the ICICIdirect.com account However, I/We request ICICI Securities

Limited to provide me/us with a separate user id and password as an additional facility only for the limited purpose of viewing the orders, transactions, statements, contracts, ledger balances concerning my/our ICICIdirect.com account with ICICI Securities.

2A. 5. In case my account is sourced by Authorised person for Mutual Fund distribution or distribution of third party products, hereinafter called as Independent Financial Associate (IFA), I hereby authorize I-Sec to share my transaction details with such IFA to enable them to track my investments and provide necessary assistance accordingly. I confirm that name of the IFA who has introduced / serviced my account is displayed in general profile on www.icicidirect.com. I further authorize my IFA to place orders in Mutual Fund and other Investment Products on my instruction.

**2. B. Clauses specific to facility of providing a separate user id and password to view the transactions to "off line clients"**

2.B.1 The Client shall choose a password that shall be at least 8 characters long (or as

otherwise specified by ICICI Securities and shall at all times keep the Client-identification and password confidential.

2.B.2 At such time and within such period as ICICI Securities may require, the Client shall obtain and maintain during the term of this Letter, digital signatures, which would aid and assist the Parties and the Client to authenticate all or any electronic transactions made through the Website. The Client shall be responsible for keeping the Client id and password and/or digital signature confidential and secure and shall be solely responsible for transactions that are viewed using the password and/or digital signature whether or not such person was authorised to do so.

2.B.3 In the event of an apprehension of unauthorized access, the Client shall immediately cause the password and/or digital signature to be changed. The Client shall at no time allow any unauthorized person access to his Client Account and shall ensure that he logs off every time that he is not using the service.

2.B.4 The Client shall forthwith

intimate ICICI Securities of any unauthorized usage of the same with full details of the date, the manner, the after the unau-  
thorized use.

2.B.5 The Client may download the obligatory documents added by ICICI Securities at its discretion, promptly on intimation of a notice of its display by ICICI Securities.

2.B.6 The Client acknowledges, represents and warrants that he has received/shall receive such passwords or digital signatures, as the case may be, which provides access to the Client Account and that the Client is the sole and exclusive owner and shall be used by him of such passwords or digital signatures, as the case may be, and accept sole responsibility for use, confidentiality and protection of the password or digital signature, as the case may be.

2.B.7 The Client is aware that the transaction statements, which would be provided to the Client through Website or otherwise (as may be intimated to the Client), may be accessed by other entities in case the confidentiality / secrecy of the password is compromised by the Client. Further, the client agrees that if he

chooses to become a direct client of ICICI Securities Limited or in the event of disassociation with the registered interm-ediary due to whatsoever reason, the aforesaid clauses specific to facility of providing a separate user id and password to view the transactions to "off line clients" would automatically become a mandatory feature of the online broking account. The following clauses from 2.B. 8 to 2.B .10 specific to online trading would also become operational.

2.B. 8 ICICI Securities/ ICICI Bank (applicable in case of 3 in-1 facility) shall cause to be displayed on the Website, the Terms and Conditions governing the purchase, sale or any other transaction in each of the Investment Products as and when they are introduced or at any time amend this Letter of confir-  
mation, by modifying or rescinding any of the existing provisions or conditions or by adding any new provision or condition. Provided that ICICI Secur-  
ities shall be entitled to modify/alter the said Terms and Conditions of such Investment Product (exclud-  
ing products which are dealt on Stock Exchanges) and such a change shall be

displayed on the Website so as to intimate such modification/alteration to the Client. The continued use of the Website by the Client shall be deemed to be an acceptance by the Client of the modified/altered Terms and Conditions of such Investment Product (excluding products which are dealt on Stock Exchanges). For products which are dealt on Stock Exchanges, ICICI Securities shall follow the process as per the applicable rules and regulations of the concerned Stock Exchanges for changes in terms and conditions.

2.B.9 The Client acknowledges that he is fully aware of the risks involved in online trading activities, including the risk involved due to unauthorized access or any technical difficulties. The client would place all transaction instructions in his online trading account using his User Id and password. ICICI Securities shall act as the Client's agent to complete all transactions authenticated by the password assigned to the Client, or by such means as ICICI Securities may require from time to time, including affixing of digital signatures. ICICI Securities has no obligations to verify the

authenticity of any transaction instruction sent or purported to have been sent from the Client other than by means of verification of the Client's password.

2.B.10 An order or application shall be deemed to have been executed or cancelled only after such status is updated by ICICI Securities on its website.

3. ICICI Securities may, from time to time, and at its sole and absolute discretion, offer to facilitate to the Clients, through the Website and other media, the facility of applying for loans and overdrafts and other credit facilities (hereinafter the "Credit Facility") from various Banks or financial institutions or any finance companies (hereinafter referred to as "the Financier") for the purpose of investing in initial public offer / public offer of the shares of various entities/securities (hereinafter referred to as "purpose"), in compliance with the applicable laws. The Client acknowledges and agrees that ICICI Securities is only facilitating the Client in applying for various Credit Facility and grant/sanction of the Credit Facility and the terms and conditions thereof shall be

at the sole discretion of the Financier, ICICI Securities shall have no liability and/or responsibility whatsoever in connection with the Credit Facility. The Financier shall have the sole discretion to accept or reject the application for Credit Facility made by the Client. This facility shall not be construed as a guarantee / undertaking by ICICI Securities to make available the Credit Facility from any Financier in favour of the Client. Nothing contained herein or on the Website shall constitute or deemed to constitute an advice, an offer to purchase shares, or sponsorship to subscribe to the shares or an invitation, recommendation or solicitation to avail of any Credit Facility from any Financier. ICICI Securities may at any time, without giving any notice to the Client terminate or suspend or withdraw this service or facility.

4. The Client shall ensure that the transactions through ICICI Securities are executed in accordance with the applicable laws, byelaws, rules and regulations governing the specific Investment Product. ICICI Securities may, from time to time, impose and vary limits on the orders which the

Client may place, including exposure limits, turnover limits, limits as to numbers etc. The Client agrees that ICICI Securities shall not be responsible for any variation or reduction that may be deemed necessary by ICICI Securities based on its risk perception and other relevant factors.

**B. REPRESENTATIONS AND WARRANTIES BY THE CLIENT**

1. The Client affirms, and shall continue to affirm every time an order is placed through ICICI SECURITIES or an application preferred, as the case may be, that all information provided and the statements made in the Client Account Opening Form are true and are not misleading (whether by reason of an omission to state a particular fact or otherwise as at the time of completing the Client Account Opening Form or any time thereafter). The Client agrees that ICICI Securities has agreed to provide to the Client, various services based on representation contained in Account opening form and this Letter of Confirmation ("The Letter").
2. The Client has the required legal capacity to execute this Letter and is capable of

performing his obligations and undertakings hereunder.

3. The Client shall, at all times, be responsible for the Client's investment decisions and/or orders placed, or applications preferred by the Client, either electronically or otherwise. The Client shall not hold, nor seek to hold, ICICI Securities and/or any of its officers, directors, employees, agents, subs-idiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client. The Client understands that placing an order with ICICI Securities, either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. ICICI Securities shall not be deemed to have received any electronically transmitted order or application until ICICI Securities has confirmed the receipt of such an order or application.

Client agrees that he has taken cognizance of circulars issued by SEBI/ Exchanges from time to time on the guidelines for calculation of net open position permitted in any commodity and hereby undertake to comply with

the same and shall not exceed such limit at any point of time. Client undertakes to inform ICICI Securities Ltd that if he / any of his partners / directors / karta / trustee or any of the partnership firms / companies/ HUFs / Trusts in which he or any of above such person is a partner / director/ karta / trustee, takes or holds any position in any commodity on exchanges through or through any other member (s) or exchanges, it shall be responsibility of the client to restrict his position limit as prescribed by the above referred circular of exchanges. Client further agrees that the order entry in commodity forward contracts/ commodity derivatives shall be subject to aforesaid assurances and undertaking.

4. Client undertakes to bear any liability / penalty charges levied by exchanges / SEBI.
4. The Client agrees that ICICI Securities shall act as the Client's agent to complete all transactions authenticated by the password assigned to the Client, or by such means as ICICI - Securities may require from time to time, including affixing of digital signatures. ICICI Securities is hereby expressly authorized to

make advances and expend monies as may be required for carrying out such transaction. The Client shall, at all times, be liable to pay ICICI Securities, the brokerage, commission, GST and other taxes and transaction expenses as applicable/ notified by ICICI Securities on the Website or by email from time to time. Certain orders or applications, at ICICI Securities sole discretion, may be subject to manual review, thereby delaying the processing of the Client's order or application. The Client shall receive the price at which the Client's order or application is actually executed in the Exchanges or otherwise, as the case may be, which in the event of a delay may be different from the price at which the Client's order or application was placed.

5. The Client agrees that any request for cancellation/ modification of an order or an application shall be subject to the order or application not having been acted upon or already being executed or it being outside the control of ICICI Securities to make any cancellation or modification to such order or application. An order or application shall be deemed to have been

executed or canceled only after the Client has received a statement from ICICI Securities intimating him of the status of his order.

6. The Client hereby agrees that ICICI Securities or the Exchanges shall not be liable for the nonexecution of any order caused due to any suspension, interruption, non-availability or malfunctioning of the online trading service or the Exchange system or service or for any reasons whatsoever.
7. The Client agrees to and undertakes to deposit with ICICI Securities such cash, securities or other acceptable securities as may be required as a margin, in addition to the permanent margin, which may be higher than the margin as prescribed by the Exchange. The Client hereby undertakes that when called upon to do so, provide ICICI Securities a margin deposit and /or additional margin money as required in respect of business done for the Client by ICICI Securities.

Client agrees that if any penalty is levied upon ICICI Securities by Exchange/ Clearing House due to short margin collection from the

Client (margin shortfall) in any segment, then ICICI Securities reserves the right to recover such penalty from the Client by debiting the linked Bank account (applicable in case of 3 in 1 facility) or ledger of the Client or selling securities of appropriate value from the linked demat account of the Client. Client is liable to pay such penalty amount forthwith to ICICI Securities when demanded by ICICI Securities if funds/securities are insufficient to meet the penalty amount.

8. The Client agrees that ICICI Securities and ICICI Bank may enforce any of the rights, duties and obligations arising under this Letter or any related document including the Power of Attorney either jointly or independently, and nothing in this Letter shall be construed in a manner so as to restrict the right of ICICI Securities and ICICI Bank to initiate any action jointly.
9. The Client shall choose a password that shall be at least 8 characters long (or as otherwise specified by ICICI Securities) and shall at all times keep the Client-identification and password confidential. Further, at such time and within such period as ICICI Securities may

require, the Client shall obtain and maintain during the term of this Letter, digital signatures, which would aid and assist the Parties and the Client to authenticate all or any electronic transactions made through the Website. The Client shall be responsible for keeping the Client id and password and/or digital signature confidential and secure and shall be solely responsible for all orders and transaction that are entered and executed using the password and/or digital signature whether or not such person was authorised to do so. In the event of an apprehension of unauthorized access, the Client shall immediately cause the password and/or digital signature to be changed. The Client shall at no time allow any unauthorized person access to his Client Account and shall ensure that he logs off every time that he is not using the service. The Client shall forthwith intimate ICICI Securities of any unauthorized usage of the same with full details of the date, the manner, the transactions executed after the unauthorized use.

10. The Client agrees that in case the Client has applied for shares in an Initial Public Offer / Public Offer through

ICICI Securities, the Client shall not, without prior intimation and acknowledgment of ICICI Securities, liaise with the Registrar for the Initial Public Offer / Public Offer to change the details of the Demat Account, Bank account and the Address on the Application Form provided to the Registrar by ICICI Securities. The Client further authorises ICICI Securities to give standing instructions to the Registrar to reject such requests from the Client. In event of any change in the details of the Demat Account, Bank Account, Address of the Client, etc., the Client shall first update such changes with ICICI Securities who shall liaise with the Registrar to update such changes and accordingly the refunds/allotments on the Application shall be made. The Client agrees that ICICI Securities is hereby authorised to give instructions to the Depository Participant of the Client to reject any request received from the Client for changing the Bank Account details or updating any change relating to the Demat Account. The Client further agrees that the Client shall not close the Demat Account / Bank Account without prior notification to ICICI Secu-

rities where an Application for Initial Public Offer / Public Offer has been made on behalf of the Client through ICICI Securities and the Client agrees that ICICI Securities may instruct the Depository Participant / Bank of the Client to reject any such request received from the Client. In case an application is made for Initial Public Offer / Public Offer through ICICI Securities, the Client authorizes ICICI Securities to collect on Client's behalf, the refund amount, if any, from the Company/ Registrar and subsequently credit the same to Client's Bank Account after set-off / adjustment of dues payable by the Client on account of obligations incurred in connection with the application. The Client further agrees that ICICI Securities shall not be held responsible for non allotment of securities either fully or partly to the Client, for any reason whatsoever. ICICI Securities shall not be held responsible in case due to some reason the bid/ application/revision instruction sent by the Client is not received by it, or if the bid/application/revision could not be uploaded to the Stock Exchange, or could not be sent to the

- Banker / Registrar to the issue. ICICI Securities shall not be held responsible for non-receipt or delay in/incorrect receipt of refund, if any, from the Registrar/ Company. ICICI Securities shall not be held responsible for incorrect Tax deduction at Source (TDS) by the Registrar/Company, if applicable, or for nonreceipt or delay in/incorrect receipt of TDS certificate, if any, from the Registrar/Company. The Client agrees that the aforesaid Power of Attorney executed by the Client in favour of ICICI Securities and the instructions provided by the client shall be treated as extending to making of the application for Initial Public Offer / Public Offer on behalf of the Client, and further that ICICI Securities may furnish certified copy of the Power of Attorney and other documents on behalf of the client to the Company/ Registrar/any third party.
11. The terms and conditions pertaining to the ICICIdirect.com Account, Bank Account (applicable in case of 3 in 1 facility) & Demat Account which is in force now, have been read by me/us.
  12. I/We have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts.
  13. I/We also declare that the particulars given by me/us are true to the best of my/our knowledge as on the date of making such application. I/We further agree that any false/misleading information given by me or suppression of any material fact will render my/our account liable for termination and further action.
  14. I/We agree to pay the charges as per the Schedule of Charges attached to the Form and any revision thereof from time to time and understand that my/our opening of the ICICI-direct.com Account is subject to the payment of these charges.
  15. I/We wish to link all accounts under the Web Banking Account with ICICI Bank (applicable in case of 3 in 1 facility). I/We confirm that First holder is the sole signatory or authorised to act alone where the accounts are in the joint names.
  16. I/We hereby authorize ICICI Securities to debit all the Demat Account related

charges to my/our ICICI Bank Account linked (applicable in case of 3 in 1 facility) to ICICI-direct.com Account or ledger maintained by ICICI Securities.

17. I/We authorise ICICI Bank to receive credits automatically into my/our Bank (applicable in case of 3 in 1 facility) and Demat Account(s) or credit ledger.
18. I/We agree and confirm that I/we have read the terms and conditions of the account facility, and the terms and conditions pertaining to usage of channels for access of the said account facility as put up on www.icicibank and am/are aware of and will adhere to all the terms/conditions of opening/maintaining of the said account and usage of the channels with/by ICICI Bank Ltd as may be in force from time to time. I/We further declare that I/ We have read and are/ am aware of and will adhere to the rules of the Depository in relation to maintenance and operation of the account.
19. I/We understand that certain particulars given by me/us are required by the operational guidelines governing banking companies. I/We further declare and confirm that the credit

facilities, if any, enjoyed by me/us with other banks has been disclosed herein above.

20. I/We declare, confirm, agree:
  - a. That all the particulars and information given in the Application form are true, correct, complete and upto date in all respects and I/ We have not withheld any information.
  - b. That I/We confirm that I/ We have had no insolvency initiated against me/us nor have I/ We ever been adjudicated insolvent.
  - c. That I/We have never been prohibited to transact in the Securities Market by SEBI/ NSE/ BSE/ MCX or any Regulatory Body and that I/We have not been declared as suspended/ expelled/ defaulter trading members; defaulting constituents and employees of other trading members by SEBI/ NSE/BSE/ MCX or any other regulatory Body.
  - d. That I/We have read the application form and brochures and am/are aware of all the terms and conditions of availing the said services from ICICI Bank

and its Group Companies and ICICI Securities.

e. That ICICI Securities, ICICI Bank and its Group Companies reserve the right to reject any application without providing any reason.

f. I/We declare and confirm that I/we are not an authorized representative or employee of another trading member. I/We undertake that we shall not execute trades through ICICI Securities on NSE or BSE or MCX if I/we become an employee of another trading member unless I/we provide a written consent of such employing trading member to ICICI Securities.

g. I/We declare and confirm that I/We are not member(s) of NSE or BSE Ltd or MCX. I/We undertake that we shall not execute trades through ICICI Securities on NSE or BSE or MCX if I/we become member of the respective stock exchange(s).

h. I/we hereby agree that this Declaration may be canceled or revoked by me/us only upon furnishing an advance written notice of 30 (thirty) days to ICICI Secur-

ities and ICICI Bank Ltd. and by obtaining proper written acknowledgment for the receipt of the notice from ICICI Securities Ltd and ICICI Bank Ltd. I/we further understand that upon receipt of such notice, ICICI Securities Ltd and ICICI Bank Ltd. may at any time terminate or suspend my/our account/accounts or any other services provided to me/us with or without any further notice. Such notice or termination or suspension of account(s)/ services shall not have any effect on the transactions executed by or on my/our behalf before the date of such notice or effective date of termination or suspension of account(s) services, whichever is later.

i. I/We are required to comply with the Mutual Fund - Know Your Client (KYC) norms mandated by SEBI. I/ We understand that in case I/we do not comply with the mentioned norms, transactions in Mutual Fund will not be permitted.

j. I/We agree that in the case of Joint Account both the Applicant and Joint Applicant are singly and jointly liable for overdraft if any, even if the Application cum demand Promissory

Note is signed by the Applicant alone.

k. I/We nominate the person (details provided) to whom in the event of my / our / minor's death the amount of deposit in the bank account (applicable in case of 3 in 1 facility), particulars whereof are given, may be returned by ICICI Bank, branch. OR appoint the Guardian (detals provided) as the nominee is a minor to receive the amount on behalf of the nominee in the event of my/our/minor's death during the minority of the nominee. This nomination shall apply to all types of deposits, accounts made under this Customer ID (which will be the distinguishing number of this Nomination) from time to time including renewals thereof.

**21. I/We agree, undertake and authorize:**

- a. ICICI Securities, ICICI Bank and its Group Companies or their agents to make references and enquiries relative to information in this application which ICICI Securities, ICICI Bank and its Group Companies or their agents consider necessary.
- b. To inform ICICI Securities, ICICI Bank and its Group Companies regarding

change in my/our residence/ employment and to provide any further information that ICICI Securities, ICICI Bank and its Group Companies may require from time to time. I/We hereby authorise ICICI Securities, ICICI Bank and its group companies to update any change/alteration in my/our communication address/residence address/employment details that ICICI Securities, ICICI Bank and its group companies may be informed of by me and/or is brought to the notice of ICICI Securities, ICICI Bank and its group companies and hereby authorise ICICI Securities, ICICI Bank and its group companies to contact me/us on such changed/ altered address. I/We shall be solely responsible to ensure that ICICI Securities, ICICI Bank and its group companies has been informed of the correct address for communication/residence address employment details. I/We agree to indemnify ICICI Securities, ICICI Bank and its group companies against any fraud or any loss or damage suffered by ICICI Securities, ICICI Bank and its group companies due to my/our providing of any incorrect communication address/residence address/emplo-

yment details and/or failure on my/our part to communicate the change/alteration in my/our communication address/residence address/employment details.

- c. I/We agree and hereby authorise ICICI Securities Ltd/ICICI Bank Ltd/its Group Companies and their agents to exchange, share or part with all the information, data or documents relating to my/our application and transaction information to other ICICI Group Companies / Banks / Financial Institutions / Credit Bureaus / Agencies / Asset Management Companies / KYC Registration Agencies (KRA) / Registrar and Transfer Agents / Insurance Companies / Companies accepting deposits or any other securities / issuers of securities / investment products, service providers and Statutory Bodies as ICICI Securities Ltd/ICICI Bank Ltd/its Group Companies may deem appropriate which may be required for use or processing of the said application/ transaction by above mentioned entities or furnishing of the processed information/data/ products thereof to other Banks/ Financial Institutions/credit providers/agencies/users

registered with such persons. I/we shall not hold ICICI Securities Ltd /ICICI Bank Ltd/ its Group companies liable for the disclosure or use of such information. I/We agree and hereby authorise ICICI Securities Ltd to exchange, share or part with all the information relating to my / our transactions through ICICI direct account to other ICICI Group Companies or any intermediary registered / associated with ICICI securities for the purpose of referring / sourcing / processing / executing / preparing reports of my / our transactions as ICICI Securities Ltd may deem appropriate. I/ We further authorize I/we shall not hold ICICI Securities Ltd liable for the disclosure or use of such information.

- d. I/We agree to undertake and authorise ICICI Bank (applicable in case of bank account maintained with ICICI Bank Ltd relating to 3 in 1 facility) to issue a consolidated certificate for Tax Deducted at Source, if applicable, on interest paid or credit during the financial year in accordance with prevailing Income Tax Laws unless otherwise requested by me/us through prior intimation. I/We agree and confirm that tax will be

deducted at source as per prevailing income tax laws subject to a certificate from Indian tax authorities for nil / concessional rate of tax deduction. I also understand and agree that tax implications including documentation requirement are subject to change from time to time."

22. I/We agree that I shall be solely responsible to make available funds / securities for transactions executed in my ICICIdirect.com trading account. I/We understand that in case if the ICICI Bank Account (applicable in case of 3 in 1 facility) and / or ICICI Bank Demat account linked to my our trading account is frozen or dormant or non operational due to any reason whatsoever then ICICI Securities Ltd shall square off my open positions in Equity, Derivatives and other segments in my ICICIdirect.com trading account though sufficient margin may be available. I/ We shall continue to be responsible to make available funds / securities towards my/our payin / margin obligations. The inability of ICICI Securities to debit the same from my/ our linked Bank (applicable in case of 3 in 1 facility) or ledger / Demat accounts

does not absolve me/us from such liability or change in any way rights, liabilities and obligations arising out of or in respect of transactions entered thereto.

23. I/We agree that though all endeavor is made by ICICI Securities to provide maximum possible details pertaining to my transactions, certain details like allocation of funds / securities, trading limits, open positions in the derivatives market and the like can be made available only for the current trading settlement. I further agree and understand that ICICI Securities cannot make available historical details of such data taking into consideration the technical feasibility, usage etc of the same. I agree that records of historical details of such data as maintained / extracted / archived by ICICI Securities Limited. would be acceptable to me as authentic and final.

24. I/We agree that certain details as provided in my/ our trading account would not be on a real time basis. I/ we agree and accept that such details would be updated by ICICI Securities Ltd on best effort basis within reasonable time. I/we shall not hold ICICI Securities responsible for any

- possible mismatches in the real time data and data as reflecting on the site during the period the updations are not effected.
25. I/We authorise ICICI Bank Ltd. to issue an ICICI Bank Debit cum ATM Card to me/us. I/We acknowledge that the issue and usage of the Card is governed by the terms and conditions as in force from time to time and agree to be bound by the same. I/We acknowledge that it is my/our responsibility to obtain a copy of and read the same. I/We accept that the terms and conditions are liable to be amended by ICICI Bank Ltd. from time to time. (The aforesaid para is applicable only in case where 3 in1 facility is availed.)
  26. I/We further unconditionally and irrevocably authorise ICICI Bank Ltd. to debit my/our Bank Account annually with an amount equivalent to the fee and charges for use of the Debit cum ATM Card.(The aforesaid para is applicable only in case where 3 in1 facility is availed.)
  27. I/We hereby confirm this Bank account will be operated singly and in case of joint account operated by either or survivor. (The aforesaid para is applicable only in case where 3 in1 facility is availed.)
  28. I/We confirm that the Bank account to be opened with ICICIdirect.com Account be used for the purpose of all cash corporate actions.(The aforesaid para is applicable only in case where 3 in1 facility is availed.)
  29. I/We wish to apply for all the Mobile Banking Alerts as are displayed on the website [www.icicibank.com](http://www.icicibank.com) for the Bank Account to be opened/linked.(The aforesaid para is applicable only in case where 3 in1 facility is availed.)
  30. I/We, the Jointholder/s, hereby authorize the First holder, to access the Internet Banking, Phone Banking and Mobile Banking channels as provided for viewing of and transaction from the Account and the First holder confirms the said appointment. I/We, the Jointholder/s, hereby state that should I/we, Joint-holder/s, wish to revoke the above authorisation, I/we, Jointholder/s, shall duly issue a letter of revocation (" the revocation letter") to ICICI Bank in this regard. I/We hereby agree that until ten days after receipt of such revocation letter, the authorisation as aforestated shall hold good. (The

aforesaid para is applicable only in case where 3 in1 facility is availed.)

31. I/We affirm, confirm and undertake that I/we have read and understood the Terms and Conditions for usage of the Mobile Banking service of ICICI Bank Limited and I/we are aware of Charges Applicable as set forth in [www.icicibank.com](http://www.icicibank.com), and that I/we agree on my/our own behalf, or as the mandate holder on behalf of the joint account holders, and will adhere to all the terms/conditions of opening/ applying/ availing/ maintaining/ operating (as applicable) for usage of Mobile Banking service of ICICI Bank Limited as may be in force from time to time. I/we further authorize ICICI Bank Limited to debit my Account(s) towards any Charges for Mobile Banking Service. (The aforesaid para is applicable only in case where 3 in1 facility is availed.)
32. The rules & regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/We have understood the same and I/We agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/We also declare that the particulars given by me/us are true to the best of my/our knowledge as on the date of making such applications. I/We further agree that my false/misleading information given by me or suppression of any material fact will render my account liable for termination and further action.
33. I/We agree and understand that ICICI Bank Ltd/its Group Companies reserve the right to retain the application forms, and the documents provided therewith, including photo-graphs, and will not return the same to me/us.
34. I/We agree and understand that I/We have to complete further applications for specific liability products/ services from ICICI Bank Ltd/its Group Companies, as prescribed from time to time, and that such further applications shall be regarded as an integral part of this application (and vice versa), and that unless otherwise disclosed in such further forms as prescribed, the particulars and information set forth herein as well as the documents referred or provided herewith are true, correct, complete and up-to-date in all respects. I/We agree and understand that

such further applications will require incorporation of the application form number, and/or such details as ICICI Bank may prescribe, to facilitate data management.

35. I/We understand ICICI Securities Limited does clientele business and has decided to do and deals in proprietary trading too. The disclosure is given pursuant to the requirement as per clause 2.3 of the SEBI Circular No. SEBI/MRD/SE/Cir-42/2003 dated 19th November, 2003.

36. I hereby declare that I have, read and understood the terms and conditions governing the ICICIdirect.com a/c and ICICI Bank a/c at <https://secur-e.icicidirect.com/resident/tnc.htm>

37. I agree that a Student account or a Saving Account having quantum optimum facility or a Current A/C cannot be linked. (The aforesaid para is applicable only in case where 3 in1 facility is availed.)

38. I/we have no objection to ICICI Securities Limited, its group companies, agents / representatives to provide me/us information on various products, offers and services provided by ICICI Securities Limited / its

group companies through any mode (including without limitation through telephone calls / SMSs / emails) and authorise ICICI Securities Limited, its group companies, agents / representatives for the above purpose.

39. The client agrees that in case his account is mapped to advisor / dealer, then the client authorises such advisor / dealer to call even if client's number is registered in National Consumer Preference Register / Do No Call database.

40. This is with reference to the Power of Attorney (POA) to be executed by me/us favouring ICICI Securities Limited ("I-Sec") for opening 3-in-1 or 2 in 1 online trading account. I/We hereby authorise I-Sec to mention the POA verification date as the execution date on the POA, once the POA is verified by I-Sec as part of its form scrutiny process.

**C. CLAUSES SPECIFIC TO OPENING OF BANK ACCOUNT WITH ICICI BANK (applicable only in case of 3 in 1 facility).**

1. The Client shall be entitled to operate his Bank Account (referred to as "Web Banking Account/Service"

or "Bank Account") though the use of Web Banking service offered by ICICI Bank, which may be withdrawn at any time at the sole discretion of ICICI Bank.

2. ICICI Bank shall endeavor to provide the Client through Web Banking, services such as balance enquiry for his Bank Account, transaction details, statement of Bank Account, cheque-book request, request for transfer of funds between accounts of the same Client and such other facilities as ICICI Bank may decide to provide from time to time.

These facilities shall be offered in a phased manner at the discretion of ICICI Bank. ICICI Bank may also make additions/deletions to the services offered through Web Banking at its sole discretion. The availability/non availability of a particular service shall be intimated to the Clients through e-mails and/or web page of ICICI Bank or may be displayed on the Website.

3. ICICI Bank shall take reasonable care to ensure security of and prevent unauthorised access to the Web Banking Services, using technology, reasonably available to it.
4. ICICI Bank shall allot to the

Client the Client Identification and secret passwords or require the usage of digital signatures while opening his Bank Account. The Client will be required to change the passwords assigned by ICICI Bank on accessing Web Banking for the first time. ICICI Bank will not be liable in any case wherein the Client has not changed the passwords after he has first been issued to them. As a safety measure the Client shall change the passwords as frequently thereafter as possible.

5. The Client shall at all times comply with such directions/instructions as may be issued by ICICI Bank, including but not limited to the maintenance of a minimum balance in the Bank Account, payment of service charges, etc. ICICI Bank may, in its sole discretion, levy penal charges for non-maintenance of the minimum balance as stipulated from time to time. Any change in the fees shall be notified on ICICI Bank's website. The Client authorizes ICICI Bank to recover all charges related to Web Banking as determined by ICICI Bank from time to time by debiting the Client's Bank Account.

6. All transaction to be executed through the Web Banking Service shall be subject to the availability of sufficient funds in the Bank Account of the Client and ICICI Bank shall not be liable for any omission to make all or any of the payment or for late payment due to circumstances beyond the reasonable control of ICICI Bank.
7. The Client shall be responsible for the accuracy of information supplied to ICICI Bank through the use of Web Banking or through any other means such as electronic mail or written communication. ICICI Bank accepts no liability for the consequences arising out of erroneous information supplied by the Client. If the Client suspects that there is an error in the information supplied to ICICI Bank by him or notices an error in the information supplied to him through Web Banking then he shall intimate ICICI Bank as soon as possible and ICICI Bank shall endeavor to correct the same, wherever possible, on a 'best efforts' basis.
8. The Client shall be liable for any loss caused to ICICI Bank due to any unauthorised transactions in the Web Banking Account if the Client has breached any of the terms of usage of Web Banking or contributed or caused the loss in any manner. Provided that nothing contained herein shall be construed in such a manner so as to hold the Client liable for any unauthorised transactions occurring through the fraudulent or negligent conduct of employees of ICICI Bank.
9. ICICI Bank shall under no circumstances be held liable by the Client in case of Web Banking access not being available in the desired manner for reasons including but not limited to natural calamity, floods, fire and other natural disasters, legal restraints, faults in the telecommunication network or Internet or network failure, software or hardware error or any other reason beyond its control. Under no circumstances shall ICICI Bank be liable for any damages whatsoever whether such damages are direct, indirect, incidental, consequential and irrespective of whether any claim is based on the loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss of any character or nature whatsoever and whether

- sustained by the Client or any other person.
10. The Client agrees that the Bank or its representatives/contr-actors may hold and process Information pertaining to the Client on computer or otherwise in connection with Web Banking service as well as for statistical analysis and credit scoring. The Client also agrees that ICICI Bank may disclose, in strict confid-ence, to other institutions, such Client Information as may be reasonably necessary for reasons inclusive of, but not limited to, the following:
    - (a)For participation in any telec-ommunication or electronic clearing network;
    - (b)In compliance with a legal directive;
    - (c)For credit rating by recognised credit scoring agencies; and/or
    - (d)For fraud prevention purposes.
  11. ICICI Bank shall have the right of set-off, irrespective of any other lien or charge, present as well as future, on the deposits held in the Client's Bank account(s) and other deposits, whatsoever, to the extent of all outstanding dues to ICICI Bank, howsoever, arising.
  12. The Client acknowledges that the software underlying the Web Banking Service as well as other Internet related software which are required for acc-essing Web Banking are the legal property of the respective vendors and the Client shall not attempt to modify, translate, disassemble, decompile or reverse engineer the software underlying the service. The permission given by ICICI Bank to access Web Banking shall not convey any proprietary or ownership rights in the above software.
  13. The Client expressly authorizes ICICI Bank to block the amount required to settle the obligations of the Client against the desired limits and in case of the execution of the order, either in part or in full debit the Client's Bank Account to the extent necessary to settle the obligations and credit ICICI SECURITIES Account. The Client agrees that Client shall not be permitted to withdraw, issue a cheque or otherwise use the blocked and/or allocated funds in his Bank Account. ICICI Bank reserves all its right to dishonour their instruction/cheque that may be issued against the blocked amount. The Client also understands &

agrees that blocking of funds against their order will be given priority over all other instructions or cheques given by either the Client or his authorized representative.

14. The Client agrees that ICICI Bank may prescribe certain additional terms and conditions for the purpose of offering Web Banking service and that the Client can utilise such service only after he agrees to abide by all such terms and conditions.

15. I understand that Passbook facility is available for Savings Bank account free of charge and can be requested at any ICICI Bank Branch.

16. Further for Salary Account

(a) I have also read and understood "Terms and Conditions" under which salary account is offered to my organisation and its employees as set forth on the website [www.icicibank.com](http://www.icicibank.com)

(b) I (Primary A/c holder) agree that my employer has full right to reverse an instruction given by them to credit my/our account for any amount and I and/or the joint account holders, will not dispute or hold the bank

responsible for any such debits in my/our account. For this purpose the entity/ organization from whom the last salary credit has been received shall be considered as the employer.

(c) I understand that it is my responsibility to inform ICICI Bank immediately on termination of my employment with my employer. The benefits applicable to the Salary stand to be modified in case of any change in employment status. The joint A/c holders agree to these terms and will not dispute the same due to change in employer status of the Primary A/c holder. I undertake to immediately inform ICICI Bank vis a vis any change of employment status and authorize ICICI Bank to change my/our employer details based on such information being received from me or my employer/s or otherwise.

(d) If no salary credits are made in the account, ICICI Bank reserves the right to change / close the status of the salary account to ICICI Bank savings account without any intimation to the account holder and the terms and conditions as applicable to ICICI Bank Savings account shall apply

to this account from the date of change of status.

- 17 I have received a copy of the tariff guide / schedule of charges. I have read and understood the contents of the brief schedule of charges provided in Tariff guide and detailed schedule of charges as set forth on the website [www.icicibank.com](http://www.icicibank.com) and agree to abide by the same, subject to changes from time to time.

**D. CLAUSES SPECIFIC TO OPENING OF DEMATERIALIZED SECURITIES ACCOUNT ("DP ACCOUNT") WITH ICICI BANK LTD.**

I/We refer to my/our application for opening of a dematerialised securities account ("DP account") with ICICI Bank Limited (hereinafter called "ICICI Bank")

I/ We hereby agree and confirm that:

1. ICICI Bank as Depository Participant (DP) will not be liable to us for any action taken or authorised to be taken under the Rights & Obligations of Beneficial Owner and Depository Participant prescribed by SEBI & Depositories for any claim, loss, damages or expenses arising in

connection with any such action or omission except in so far as the same results from bad faith, willful default or negligence on the part of ICICI Bank.

2. ICICI Bank as DP will not be liable or responsible for the loss or damages arising on account of any natural calamities or on account of malicious damages caused on account of any strike, civil commotion, riots, war, war like events or circumstances beyond the control of ICICI Bank.
3. ICICI Bank as DP, will not be responsible for the title, validity or genuineness of any securities which have been dematerialised and notified subsequently by the Registrars of any defects in its title/validity which has resulted in a reduction of the dematerialised holdings of the client and the consequences thereon.
4. I/We hereby agree to hold ICICI Bank harmless against all actions, proceedings, claims and demands, cost and expenses incidental thereto which may be brought against, suffered or incurred by ICICI Bank as Depository Participant by reason of all acts done by it pursuant to the provisions of the Rights & Obligations of Beneficial Owner and

Depository Participant prescribed by SEBI & Depositories including any action or omission undertaken in compliance with any instructions received by ICICI Bank which ICICI Bank believes in good faith to have been given by me/us and make good the losses incurred by ICICI Bank on all legal, professional and other expenses incurred by ICICI Bank.

5. I/We undertake to send ICICI Bank instructions relating to the transfer of securities latest by 4 p.m. on business day (excluding Saturday, Sunday and bank holidays) prior to the execution date indicated by me/us in the debit instruction. We note that the instructions received by ICICI Bank after this, will be carried out and updated only on "Best Effort" basis. ICICI Bank is not liable for any losses and arising out of TIFDs accepted on the "Best Effort" basis.
6. ICICI Bank will not be responsible for any failure as a result of non receipt or receipt of incomplete/erroneous instructions though received within the stipulated time.
7. All instructions will be

signed by me/us or by an authorised person on my/our behalf whose signature has been lodged with ICICI Bank along with relevant documents as required by ICICI Bank. I/We shall inform ICICI Bank about the changes in the list of authorised persons and their specimen signatures from time to time.

8. I/We am/are agreeable to pay the fees for the services rendered by ICICI Bank as per Section G / tariff sheet signed by me. . I/We hereby authorise and instruct ICICI Bank to debit the bank account to be notified by me/us for the fees and other charges and undertake to ensure that adequate balances are made available in the bank account. I/We further confirm that, the securities held in my/our DP account are subject to a lien/right of set off in favour of ICICI Bank for the claims of monies payable to ICICI Bank
9. I/We hereby agree, confirm and understand that ICICI Bank reserves the right to revise the terms and conditions or rules and procedures pertaining to the DP account and that such revised terms and conditions shall then be binding on me/us.

10. The particulars given and declarations made by me/ us in the account opening form, other declarations and in this letter are true as on the date hereof and any changes will be informed to you immediately. I/We further confirm that ICICI Bank is not liable and responsible for any incorrect information given to ICICI Bank nor for any false declaration furnished to ICICI Bank and the consequential effects thereon.
11. I/We have read and understood the rules and regulations pertaining to the Depository and Depository Participants in connection with opening and operating of DP accounts.
12. I/We authorise ICICI Bank to issue/re-issue a TIFD booklet through Post or Courier or as per your standard practice. The Courier charges will be debited in my/our account.
13. (a) I/We hereby authorise ICICI Bank, to claim from my/our bank account mentioned under "Electronic Clearing Service (Debit Clearing) Mandate/ Direct Debit Mandate and Bank details for receiving dividend/interest", the charges in respect of the Demat Account.
- I/We further confirm that :
- i) I/We am/are agreeable to participate in Electronic Clearing Services (Debit Clearing) of RBI and enclose the Mandate Form.
  - ii) The relevant Bank has been authorised to debit my/our designated bank account with charges relating to my demat account with ICICI Bank and remit the proceeds to ICICI Bank in the manner advised by ICICI Bank from time to time. ICICI Bank may forward a copy of the authorisation to the relevant Bank.
  - b) I/We hereby undertake not to revoke the standing instruction given to my relevant Bank with regard to my designated bank account for the above without the written approval from ICICI Bank or after complying with clause 'd' below.
  - c) We will ensure that sufficient balance will be maintained in the said bank account for meeting the dues.
  - d) I/We will provide fresh authorisation/instruction for claiming ICICI Bank dues from the new bank account in the event of our closing

this designated bank account. I/ We will provide fresh authorisation to ICICI Bank at least one month prior to our closing the account.

14. I/We have agreed to ICICI Bank for accepting any facsimile (fax) instructions, I/We confirm that ICICI Bank as DP shall not be liable for any losses or damages which I/We may suffer as a consequence of ICICI Bank as DP acting in accordance with or in reliance upon, any fax instructions. I/We hereby agree that I/We shall indemnify the DP and keep ICICI Bank as DP indemnified and saved harmless, at all times against any claims, losses, damages, in connection with or arising out of or in relation to any fax submission.
15. I/We further confirm that the above confirmation are in addition to those confirmation given by me/ us in the account opening form by me/us for opening the DP account.
16. I/We have been provided with the Rights and Obligations document prescribed by SEBI and hereby confirm that I have read, understood and agree to abide by the terms of the

said Rights and Obligation document and understand that the Rights and Obligations document is legally binding on me/us.

17. I/We understand that this letter of confirmation is subject to the Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository that may be in force from time to time.

## **E - TERMS AND CONDITIONS FOR AVAILING BSDA FACILITY**

### **A. ELIGIBILITY**

1. Customer should have only one demat account with in his capacity as a sole holder or a first holder in the whole depository system i.e. NSDL and CDSL.
2. Value of holdings in this demat account should not exceed Rs 2 lac.

### **B. FEATURES OF BSDA FACILITY**

1. Scheme A - Customer having demat holding from Rs 0 to Rs 50,000 will not be charged any AMC
2. Scheme B - Customers having demat holding value of Rs 50,001 to Rs 2 lac will be charged Rs 100 AMC

3. The value of holding shall be determined on the basis of the daily closing price or NAV of the securities or units of mutual funds. Where such price is not available the last traded price will be taken into account and for unlisted securities other than units of mutual funds, face value will be taken into account
4. If the value of holding in such BSDA exceeds the prescribed criteria at any date, normal charges as applicable to regular accounts (non-BSDA) from that date onwards shall be levied.
5. Transaction statement (TS) will be sent quarterly unless there are no transactions in which case Transaction statement will not be sent. One annual statement of holding will be sent in physical / electronic form as opted by the account holder. Electronic statements will be provided free of cost. In case of physical statement, two physical statement will be provided free of cost during the billing cycle. Additional physical statement will be charged at Rs 25/- per statement.

**C. DECLARATION**

I / We have read and understood the Securities

and Exchange Board of India's guidelines for facility for a BSDA. I/We hereby declare that I/We am/are eligible to open a depository account as a BSDA holder and undertake to comply with the requirements specified by Securities and Exchange Board of India (SEBI) or any such authority for such facility from time to time. I/We also understand that in case I/We at any point of time do not meet the eligibility as a BSDA holder, my/our aforesaid account is liable to be converted to regular account.

**F. TERMS AND CONDITIONS FOR RECEIPT OF STATEMENT OF TRANSACTIONS THROUGH E-MAIL**

1. Definitions: In this document the following words and phrases shall have the meanings as set below unless the context indicates otherwise:

“Account(s)” or “Accounts” or “Account” refers to the Client’s depository account(s) maintained with ICICI Bank.

“Client(s)” means refers to a customer of ICICI Bank maintaining a depository account with ICICI Bank and availing of the Services

(herein below defined). "Website " refers to the website owned, established and maintained by ICICI Bank located at the URL www.icicibank.com.

2. The Client may subscribe/request for receiving the transaction statements of the Account with ICICI Bank through electronic medium such as e-mail or website (here in after referred to as the "Services"). These Terms and Conditions (hereinafter referred to as the "Terms") form the contract between the Client and ICICI Bank for availing the said Services. The Client shall apply to ICICI Bank in the prescribed form for use of the said Services. By applying for or availing of the said Services, the Client acknowledges, accepts and agrees to these Terms.
3. ICICI Bank shall endeavour to provide to the Client, through electronic medium such as e-mail or website the transaction statements pertaining to the Client's account. The electronic delivery may be in the form of an electronic mail or an attachment to the electronic mail or in any other form as decided by ICICI Bank and intimated to the Client.
4. ICICI Bank would be deemed to have fulfilled its legal obligations to deliver to the Client the transaction statements if such transaction statements are sent through electronic means at the email address provided by the Client to ICICI Bank. Failure on the part of the Client to advise ICICI Bank of any difficulty in opening any transaction statement so delivered within twenty-four (24) hours after delivery by ICICI Bank shall serve as an affirmation regarding the acceptance of such transaction statement.
5. The Client agrees not to receive transaction statements in a physical form from ICICI Bank once the Client has agreed to avail such Services. However, notwithstanding the above, the Client will receive the annual transaction statement in physical form. In the event ICICI Bank is unable to provide transaction statements through an electronic medium due to any unforeseen problems and/or temporary technological lapses/ failure, ICICI Bank shall ensure that the transaction statement reaches the Client in physical form as per the time schedule as stipulated by NSDL / CDSL. In case of

BSDA, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

6. In the event the Client selects to avail the Services, the Client shall immediately inform ICICI Bank about any change in his/her/it's email address as provided earlier to ICICI Bank.
7. ICICI Bank does not provide any warranty and makes no representation whatsoever about the accuracy, authenticity and/or completeness of the transaction statements provided through electronic medium. While ICICI Bank shall endeavour to provide the transaction statement as requested by the Client promptly, ICICI Bank shall not be responsible for any non-response or delay in providing the transaction statements to the Client due to any reason whatsoever, including but not limited to, due to failure of operational systems or any requirement of law.
8. The Client will take all the necessary steps to ensure confidentiality and secrecy of the login name and password of the internet/email account.
9. The Client is aware that the transaction statements may be accessed by other entities in case the confidentiality/secretcy of the login name and password is compromised.
10. The Client accepts full responsibility for the monitoring and safeguarding of the Client's accounts with ICICI Bank. The Client shall immediately notify ICICI Bank in writing, delivered via e-mail and/or Registered AD: (a) If the Client becomes aware of any loss, theft or unauthorised use of the passwords or digital signatures of the Client, as the case may be and the Client's account number; or (b) Any inaccurate information in the account balances, investment products positions, or transaction history.
11. If the Client fails to notify ICICI Bank immediately upon the Client's knowledge about the time when any of the above conditions (as mentioned in clause 10) occur, neither ICICI Bank nor any of its officers, directors, employees, agents, affiliates or subsidiaries can or will have any responsibility or liability to the Client or to any other person whose claim may arise through the Client for any claims

including but not limited to claims arising with respect to the handling, mishandling or loss of any order. Under no circumstances, including negligence, shall ICICI Bank or anyone involved in creating, producing, delivering or managing the Services for ICICI Bank be liable for any direct, indirect, incidental, special or consequential damages that result from the use of or inability to use the Services, or out of any breach of any warranty.

12. Both ICICI Bank and the Client have the right to terminate such Services provided a written notice is given at least 10 (ten) days in advance to the other party.
13. ICICI Bank reserves the discretion to revise/modify/alter the Terms herein.
14. All disputes arising out of or in relation to this terms and conditions shall be governed by the laws of India and shall be subject to the exclusive jurisdiction of the competent courts at Mumbai.
15. Notwithstanding anything contained herein, all terms and conditions stipulated by ICICI Bank pertaining to the Account(s) and/or to any services/facilities offered by

ICICI Bank, shall continue to be applicable to the Client. The above Terms are in addition to and not in contravention of the terms and conditions forming part of the Rights and Obligations document and the "LETTER OF CONFIRMATION" signed by the Client at the time of opening the account with ICICI Bank and the terms and conditions relating to any Account(s) of the Client and/or to those relating to services/facilities offered by ICICI Bank and availed by the Client. However, in the event of a conflict in such other terms and conditions stipulated by ICICI Bank, Rights and Obligations document, Letter of Confirmation and the Terms herein, these Terms shall have an overriding effect to the extent of such conflict. The Client agrees that in the event the Client avails of any services/ facilities offered by ICICI Bank through the Website, the Client shall be bound by all the terms and conditions stipulated by ICICI Bank pertaining to such services/facilities, offered by ICICI Bank and availed by the Client through the Website.

16. Banker's Lien and Set-Off: ICICI Bank shall have the paramount right of set-off

and lien, irrespective of any other lien or charge, present as well as future, on all the deposits held/ balances lying in any Account of the Customer, whether in single name or joint name(s), to the extent of all amounts payable by the Customer arising as a result of any of ICICI Bank's services extended to and/or used by the Customer or as a result of any other facilities that may be granted by ICICI Bank to the Customer. ICICI Bank is entitled without any notice to the Customer to settle any indebtedness whatsoever owed by the Customer to ICICI Bank, whether actual or contingent, or whether primary or collateral, or whether joint and/or several, including without limitation indebtedness under any indemnity given by the Customer to ICICI Bank hereunder or under any other document/ agreement, by adjusting, setting-off any deposit(s) and transferring monies lying to the balance of any Account(s) held by the Customer with ICICI Bank, notwithstanding that the deposit(s)/ balances lying in such Account(s) may not be expressed in the same currency as such indebtedness. ICICI Bank's

rights hereunder shall not be affected by the Customer's bankruptcy, insolvency, death or winding-up. (The aforesaid para is applicable only in case where 3 in1 facility is availed.)

**G. OTHER TERMS AND CONDITIONS**

1. This Letter shall, at all times, be subject to Government Notifications, the relevant statutory rules, regulations, bye laws, customs and/or usage of the concerned regulatory body having jurisdiction over the transaction with respect to the particular Investment Product. An order inadvertently processed, in spite of insufficient balances in the Client's Bank Account or ledger or the account maintained with ICICI Bank Depository Participant shall at ICICI Securities sole discretion be subject to cancellation or liquidation.
2. An order inadvertently processed, in spite of insufficient balances in the Client's Bank Account or ledger or the account maintained with ICICI Bank Depository Participant shall at ICICI Securities sole discretion be subject to cancellation or liquidation. The Client shall credit the required fund to

his Bank Account or ledger promptly to ensure that the payment shall be received and processed on or prior to the settlement date or a date intimated by ICICI Securities, whichever is earlier. If the payment is not received as aforesaid, then ICICI Securities may square off the same without any prior intimation to the Client. In the event of liquidation of the Account, the Client shall be liable for any resulting losses and all associated costs incurred by ICICI Securities.

3. ICICI Securities may, in its discretion, send any document that is obligatory to be sent to the Client by means of an electronic communication, with the possible exception of graphic insertions such as photographs or logotypes, except Contract Notes which shall be sent electronically only if client has opted for Electronic Contract Notes (ECN). This electronic communication may be in the form of e-mail, an e-mail attachment or in the form of download available on the Website. ICICI Securities would be deemed to have fulfilled its legal obligation to deliver a document to the Client, if it is sent by the electronic mode. The Client

shall download the said document promptly on intimation of a notice of its display. Provided that on a request being made by the Client, due to a difficulty experienced by the Client in viewing the same, ICICI Securities may, in its discretion, make the required delivery by such other means, as it may deem appropriate. The document shall be deemed to have been duly delivered and its content accepted by the Client if there is no intimation received by ICICI Securities within twenty-four hours from the date of delivery / display of the document. Nothing mentioned in this clause shall be applicable to ECNs since the same is governed by Exchange specified rules/regulations prescribed from time to time and as mentioned in Rights and Obligations document in this application form.

4. ICICI Securities agree that it, shall keep all Investment Products belonging to the Client in separate accounts & shall transact in the same based only on the directions of the Client or his power of attorney holder or as authorized by this Letter or as required by rules, regulation or law of any authority regulating the Investment Prod-

ucts for the time being in force.

5. ICICI Securities shall credit the proceeds of the sale/redemption etc. of any of the Investment Products only after ICICI Securities has received the same unless specifically agreed otherwise. The proceeds of all sales will be credited to the Client's Bank Account directly on the designated date.
6. If the securities are not received on or before settlement date or securities received are not in deliverable state or due to any other reason whatsoever, Client is not able to deliver securities, the securities will be auctioned or closed out as per the rules of the concerned Exchange. Consequently, the Client will be responsible for any resulting losses and all associated costs including penalty levied by the Exchange.
7. The Client acknowledges that ICICI Securities, shall not be under any obligation to provide him with any tax, legal, accounting, investment advice or advice regarding the suitability or profitability of investment of any kind, nor do ICICI Securities, give any advice or offer any opinion with respect to the nature, potential value or suitability of any particular transaction or investment strategy.
8. The Client shall at all times be responsible and liable for his own actions/inaction. The Client may be able to access investment research reports through the Internet from the Website, including computerised online services or other media. The availability of such information does not constitute a recommendation to buy or sell any of the Investment Products. Any investment decisions will be based solely on the Client's own evaluation of financial circumstances and investment objectives. Any real-time quotes provided are only for the Client's individual use and the Client shall not furnish such data to any other person or entity.
9. The Client agrees that each participating exchange or association or agency that supplies any data to be displayed on the Website asserts a proprietary interest in all of the market data it furnishes to parties that disseminate the said data. Neither ICICI Securities, nor any participating exchange or association or agency or any supplier of market data guarantees the timeliness, sequence, accuracy, completeness, reliability or con-

tent of market information, or messages disseminated to or by the party. ICICI Securities, services are provided on an "as available" basis without warranties of any kind, either express or implied, including, without limitation, those of merchantability and fitness for a particular purpose.

10. Neither ICICI Securities, nor any other party disseminating any data/message/ information through the Website shall be liable for any inaccuracy, error, omission in or delay in the transmission or delivery of:

(1) Any such data, information or message, or

(2) Any loss or damage arising from or occasioned by:

(i) Any such inaccuracy, error, delay or omission,

(ii) Non-performance, or

(iii) Interruption in any such data, information or message, due to either any act or omission by ICICI Securities, or any disseminating party or to any "force majeure" (e.g., flood, extraordinary weather condition, earthquake or other act of God, fire, war, insurrection, riot, labour dispute, accident, action of government, communications, power failure, equipment or software malfunction) or any

other cause beyond the reasonable control of ICICI Securities or any disseminating party.

11. All Investment Products now or hereafter held, carried or maintained by ICICI Securities, in its possession or control, for any purpose, in or for the benefit of any of Client, now or hereafter opened, including any account in which Client may have an interest, shall be subject to a lien in favour of ICICI Securities, for the discharge of all indebtedness and Client's other obligations to ICICI Securities, and are held by ICICI Securities, as security for the payment of any liability or indebtedness of Client's to ICICI Securities, in any of said Accounts. The Client authorises ICICI Securities to transfer the Investment Products and other property so held from or to any other of Client's Accounts with ICICI Securities, whenever, in the judgment of ICICI Securities, it is considered that such transfer is necessary for the protection of ICICI Securities interest. In enforcing ICICI Securities lien, ICICI Securities shall have the right and discretion to determine which Investment Products and properties are to be sold and which contracts or positions are to

be closed. In the event of a breach or default by Client under this Letter, ICICI Securities shall have all rights and remedies available to a secured creditor under all applicable law in addition to the rights and remedies provided herein.

12. The Client acknowledges, represents and warrants that he has received/shall receive such passwords or digital signatures, as the case may be, which provides access to the Client Account and that the Client is the sole and exclusive owner and shall be used by him of such passwords or digital signatures, as the case may be, and accept sole responsibility for use, confidentiality and protection of the password or digital signature, as the case may be, as well as for all orders and other information changes entered using such a password or digital signature, as the case may be. Any order entered or application preferred using the passwords or digital signatures, as the case may be, shall be deemed to have been entered by the Client or his duly authorized agents/ representatives.

13. The Client is aware that the transaction statements, which would be provided to the Client through Website

or otherwise (as may be intimated to the Client), may be accessed by other entities in case the confidentiality / secrecy of the password is compromised by the Client.

14. The Client grants express authority to ICICI Securities for carrying out transactions and instructions (a) authenticated by the password provided to the Client or (b) entered by the registered intermediary on behalf of client.

ICICI Securities has no obligations to verify the authenticity of any transaction instruction sent or purported to have been sent from the Client other than by means of verification of the Client's password.

15. The Client accepts full responsibility for the monitoring and safeguarding of the Client's accounts with ICICI Securities and ICICI Bank. The Client shall immediately notify ICICI Securities and ICICI Bank in writing, delivered via e-mail and Registered AD:

(a) If the Client becomes aware of any loss, theft or unauthorised use of the passwords or digital signatures, as the case may be and account number; or (b) Any failure by the Client to receive a message from

- ICICI Securities indicating that an order or an application was received and executed; or any failure by the Client to receive an accurate confirmation of an execution; or (c) Any receipt by the Client of confirmation of an order and/or execution which the Client has not placed; or (d) Any inaccurate information in the account balances, Investment Products positions, or transaction history.
16. If the Client fails to notify ICICI Securities and ICICI Bank immediately upon the Client's knowledge when any of the above conditions occur, neither ICICI Securities and ICICI Bank nor any of its officers, directors, employees, agents, affiliates or subsidiaries can or will have any responsibility or liability to the Client or to any other person whose claim may arise through the Client for any claims including but not limited to claims arising with respect to the handling, mishandling or loss of any order. Under no circumstances, including negligence, shall ICICI Securities and ICICI Bank or anyone involved in creating, producing, delivering or managing ICICI Securities and ICICI Bank be liable for any direct, indirect, incidental, special or consequential damages that result from the use of or inability to use the service, or out of any breach of any warranty.
  17. The use and storage of any information including, without limitation, the passwords or digital signatures, as the case may be portfolio information, transaction activity, account balances and any other information or orders available on the Client's personal computer is at the Client's own risk and is the Client's sole responsibility. The Client shall be solely responsible for providing and maintaining the communications equipment (including personal computers and modems) and telephone or alternative services required for accessing and using the web-site or related services, and for all communications service fees and charges incurred by the Client in accessing the Website or related services.
  18. The Client is authorised to use materials which are made available by ICICI Securities services or of other third parties on the Website for Client's own needs only in accordance with the terms and conditions specified for such usage, and Client is not authorised to resell access to any such materials or to make copies of

- any such materials for sale or use by others. The Client will not delete copyright or other intellectual property rights notices from print-outs of electronically accessed materials.
19. The Client understands that ICICI Securities may at any time, at its sole discretion and without prior notice to the Client, prohibit or restrict Client's access to the use of the web-site or related services or in any specific security and Client's ability to trade.
  20. The Client understands, agrees and authorizes ICICI Securities at its discretion, and without further prior notice to the Client, to monitor and record any or all telephone conversations between the Client on the one hand and ICICI Securities and any of ICICI Securities employees or agents on the other hand and to monitor the Client's electronic communications conducted with ICICI Securities so as to enable them to maintain an audit trail of all the transactions executed by the Client.
  21. The Client shall notify ICICI Securities within seven days, of any change in the details set out in the application form submitted to ICICI Securities at the time of opening the account or furnished to ICICI Securities from time to time.
  22. The Client acknowledges that he is fully aware of the risks involved in online trading activities, including the risk involved due to unauthorized access or any technical difficulties. The Client specifically agrees to hold ICICI Securities harmless from any and all claims, and agrees that ICICI Securities shall not be liable for any loss, actual or perceived, caused directly or indirectly by government restriction, exchange or market regulation, suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the Internet, unauthorised access, theft, or any problem, technological or otherwise, or other condition beyond the control of ICICI Securities that might prevent the Client from entering an order or ICICI Securities, from executing an order. The Client further agrees that he will not be compensated by ICICI Securities for "lost opportunity" viz., notional profits on buy/sell orders, which could not be executed. Furthermore, in a technical environment, should an error occur with respect to the tracking of any account holding or or-

der entry, the true, actual and correct transaction or position will be restored. It shall be Client's responsibility to ensure account correctness and accuracy and to contact ICICI Securities, immediately in respect of any discrepancies.

23. ICICI Securities may send the order/trade confirmation slip/online intimation of successful/ unsuccessful applications through e-mail to the Client, within such period as prescribed or reasonably possible/practicable for ICICI Securities to do so from the time of execution of order/trade on the National Exchange for Automated Trading (NEAT)/ BSE On-Line Trading (BOLT) system or such other third party as the case may be for effecting purchase/sale or preferring an application for an investment product, as the case may be, or by means of electronic record, duly authenticated by ICICI Securities digital signature. The Client agrees that the information sent by ICICI Securities by email is deemed to be a valid delivery of such information by ICICI Securities.
24. If the client does not wish to receive the contract notes in electronic format then the client will confirm the same in writing to ICICI Securities.
25. The Client understands that the terms and conditions governing a specific investment product or service will be binding on the Client only if such product or service is made available to the Client and the Client trades in that investment product or avails of that particular service.
26. The client understands and agrees that he is bound by the online Terms and Conditions and Frequently Asked Questions (FAQs) as posted on the site or communicated by I-Sec and as modified from time to time. For products which are dealt on Stock Exchanges, ICICI Securities shall follow the process as per the applicable rules and regulations of the concerned Stock Exchanges for changes in terms and conditions.
27. In case of short fall in margin ICICI Securities will check for availability of additional limits in clients account to see whether adequate additional limits are

available to restore the margin level to the initial margin levels and if no such limits are available then the client's open position may be squared off by ICICI Securities , as its discretion

28. In case of change in margin % by the Stock Exchange, ICICI Securities will have to change the applicable margin % immediately and any shortfall in margin on client open position due to the same will be dealt in the same manner as specified above.
29. Client agrees that no interest shall be payable by ICICI Securities to Client, on client margin money or pay-in / payout obligation funds lying with ICICI Securities which may have been accrued on such funds.
30. The Client hereby agrees to indemnify ICICI Securities and ICICI Bank against any loss (actual or notional), costs, expenses etc., which may be suffered by ICICI Securities and/or ICICI Bank and their Group Companies, or against any claim, demand, action, proceeding that may be initiated against ICICI Securities and / or ICICI Bank, in connection with this Letter or non-compliance of any applicable rules and regulations or arising out of or in connec-

tion with due to a breach of any of the Client obligations under Right and Obligation document, Risk Disclosure document, Policies and Procedures and Guidance Note, Rights and Obligations of Beneficial Owner and/or this Letter.

31. The client understands that in case account opening application or an application for investing or subscribing to any other product/service is rejected then ICICI Securities and ICICI Bank is not bound to return the application form/ KYC documents and the same will be destroyed by ICICI Securities or ICICI Bank in case of rejections.
32. The client understand that ICICI Securities Limited will not exercise voting rights on shares held on behalf of client in client beneficiary demat account or pool account.

#### **H. TERMS AND CONDITIONS GOVERNING TRADING IN FUTURES AND OPTIONS THROUGH ICICI SECURITIES LIMITED (FOR NON SPAN MARGIN CUSTOMERS)**

"Available margin", unless otherwise specifically described for a product, shall mean margin

calculated by deducting intra day MTM loss on a position under any facility offered by ICICI Securities at any given point in time from the Margin blocked at that point in time. The Client agrees that it will be the client's responsibility to ensure that the available margin with ICICI Securities is always above the minimum margin levels specified for the respective positions. The client agrees that since ICICI Securities provides trading facility through internet it may not be possible for it to inform the client about short fall in margin, if any, on a one to one basis. The client agrees to monitor his position on a continuous basis and do the needful as ,may be required, to safeguard his position.

**Exercise:** In case of European option, the Client can place an exercise request only on the Last date of the contract. The exercise request can be placed only at specified time intervals when the exercise market is open. On the Expiry day of the Contract, the exchange would automatically exercise the (Call/Put) Buy position in case the Position is In-the-Money.

In case of exercise request placed by the Client or

exercised by the Stock Exchange. The exercised request is reduced from the open positions in the Marginable sell order position. Hence the sell order position would be subject to Margin requirement, if the quantity of sell order exceeds the difference between the buy position and the exercise request quantity. If the Exercise Request is not accepted by the exchange at the end of the day, the Exercise Request is marked as rejected at the end of the day.

**Assignment:** In case the Client has a Sell position, the Contract may be assigned to the Client and in such an event the Client undertakes to Buy the Underlying in case of Put and sell the Underlying in case of Call. However, if the Contracts are settled in cash, the Client would have to pay or receive the cash in case of an assignment. The Client understands that there can be part Assignment as may be decided by the Stock Exchange in its sole discretion.

1. The client understands that whenever he places an Options Sell (Buy) order in the derivatives segment of, which results in a position, a Trigger price is calculated

(as per the formula displayed on site) which is displayed in the Open positions book. Whenever the Underlying price of the shares goes above (below) the Trigger price in case of Sell Call (Put), the Contract would enter the Mark to Market process.

2. The Client understands and agrees that I-Sec may, at its sole discretion, determine the frequency and the time for running the Mark to Market Process, the process by which ICICI Securities shall identify open positions in the Derivatives segment for which Available margin is below the Minimum Margin and take steps, for collecting the required additional margin or squaring off such positions. In case of short fall in margin ICICI Securities will check for availability of additional limits in clients account to see whether adequate additional limits are available to restore the margin level to the initial margin levels and if no such limits are available then the client's open positions may be squared off by ICICI Securities, at its discretion. The Client understands and agrees that the said process is run at stipulated intervals and not run on a real time basis. The Client is aware

that the process identifies shortfall on individual position level, except in case of spread position. Square off is initiated Lot wise for each position after which the system recalculates margin requirements and then initiates further square off. For treatment regarding spread positions and other details on the features of the products, the client is aware that he will have to refer the online Terms and Conditions on the site. ICICI Securities shall not be required to make a margin call or otherwise inform the Client that the margin as furnished by the Client has fallen below the required level and it shall be the responsibility of the Client to regularly monitor and review the Margin availability and furnish the additional Margin to ICICI Securities.

3. The Client agrees that ICICI Securities shall have the discretion to select contracts that will be enabled for trading in Futures and the individual margin percentage, both Minimum margin and Initial margin, in the F&O segment. The Margin may be taken in cash or in form of securities as may be acceptable to ICICI Securities.

4. The Client agrees that Margin is blocked only on those new future orders, which may result into increased risk exposure. For calculating the margin at order level, values of all buy orders and sell orders (in the same underlying-group as may be determined by ICICI Securities) is arrived at. Margin is levied on the higher of two i.e. if buy order value is higher than sell order value, only buy orders will require Margin being furnished and vice versa.
5. Spread position: Spread position would attract Spread Initial Margin Percentage (SIM) and Spread Minimum Margin Percentage (SMM) in connection with margin calculation instead of Initial Margin Percentage and Minimum Margin Percentage. Spread position value is calculated by multiplying the weighted average price of position in far month contract and spread position quantity. Spread margin percentage is then applied to spread position value to arrive at spread margin. ICICI Securities shall in its sole discretion, determine the contracts which can form spread positions against each other.
6. Margin is blocked only on orders that result in an increased Risk exposure. Margin may not be recovered from an order, which is cover in nature. If a Position of opposite nature is present then the Order is reduced by the opposite position, if the opposite position is greater than the order, then the order may not require Margin. However, ICICI Securities shall have the sole discretion to determine the Margin Requirement.
7. Split of Contract: In case of contracts which fall under Spread Position, four (4) calendar days (or such other number of days as determined by ICICI Securities from time to time) prior to the expiry of a contract, open position of that contract would be taken out of Spread Position and subjected to normal Initial Margin requirement. Position in such separated contracts would be shown separately. Limits would be reduced appropriately to apply Initial Margin on near month contract. If Limits are insufficient for application towards the Initial Margin requirement, the Margin available in a group from which the near month contract was moved will also be utilized to make

good the short fall. After moving the near month contract from the existing group to separate group, Margin requirement for the existing group will be recalculated and Limits would be reduced appropriately.

8. In case of option contracts, if the Client does not square off the transaction till the last day of the contract, the position will be marked as closed off and the same cannot be exercised or assigned.
9. In case of Future contracts, in case the contract remains open till the contract expires, ICICI Securities as well as the Exchange would expire the position on the last day of contract after running EOD MTM Process and the position would be closed at the closing price of the spot (equity) market. Margin blocked on such expired position will also be released and the Limits would be appropriately increased after adjusting profit/loss on close out.

**I. TERMS AND CONDITIONS GOVERNING TRADING IN FUTURES AND OPTIONS (FOR SPAN MARGIN CUSTOMERS) THROUGH ICICI SECURITIES LIMITED**

“Deficit Margin” is the amount of excess margin arising out of difference

between revised Initial Margin computed considering latest risk parameter file received from exchange/prices/margin percentage and Initial Margin already blocked on existing positions of the Client.

“Deficit Loss” is the amount of excess notional loss arising out of difference between revised notional loss computed considering latest prices and notional loss amount already blocked on existing positions of the Client.

1. The Client agrees that SPAN based margining system provided by ICICI Securities consolidates and groups various positions taken by the Client in Futures as well as Options contracts at underlying level and computes margin requirement for each underlying by clubbing all the contracts/positions of the same underlying in one group instead of contract wise margining. The Client understands that clubbing of contracts/positions of the same underlying for computation of required margin would be done either at order level (pending execution) or at trade level (post execution), depending on the contract type in which the Client has

placed an order or created a position, at the discretion of ICICI Securities.

2. Client understands that there could be scenarios wherein margin charged at position/trade level can substantially increase as compared to the margin charged at order level. If the Client does not maintain sufficient margins required to meet the new Initial Margin requirement post trade execution then ICICI Securities may square off such positions while running Intraday Mark to Market (IMTM) process at its sole discretion without consulting or intimating the Client and the Client shall be solely responsible for any losses arising on account of the same.

3. The Client agrees that Client will have to make available sufficient limits to provide Initial Margin required before taking positions in Futures and Options. The Client agrees that margin shall be blocked at the applicable Margin requirement based on the latest risk parameter file received from Exchange/ Clearing House. The Client agrees that ICICI Securities shall require the Client to provide Deficit Margin and Deficit Loss on existing positions, if any, under a

particular underlying at the time of placement of fresh order in the same underlying apart from blocking Initial Margin required on fresh positions. This Deficit Margin and Deficit Loss on existing positions will also be deducted from the limits of the client at the time of order placement. Client agrees that if existing limits of the Client is not sufficient to meet the Deficit Margin and Deficit Loss on existing positions, then the Client will not be allowed to place fresh orders in such underlying.

Client understands that same process will be followed of blocking Deficit Margin and Deficit Loss on existing positions while making any modification to any pending orders under same underlying which are yet to be executed.

4. However, if the Client places a cover order which is a square off order meant to reduce existing positions, system will block the limits to recover Deficit Margin to the extent the limits are available and allow the order to be accepted. Client understands that once the cover order gets executed, realised profit or loss amount on the squared off positions is adjusted in the

limits and margin for underlying portfolio is recomputed and blocked to the extent of available limits. Client agrees that if sufficient margin is not available on cover order execution then ICICI securities shall mark the customer's open positions in the same underlying for square off if the available margin falls below minimum margin. ICICI Securities at its discretion will run the intra day MTM process for squaring off such positions marked for square off due to margin shortfall .

5. The Client agrees that ICICI Securities shall require the Client to provide Deficit Margin on existing positions, if any, under a particular underlying at the time of cancellation of unexecuted order in the same underlying. This Deficit Margin on existing positions will be deducted from the limits of the client at the time of order cancellation. Client agrees that if existing limits of the Client is not sufficient to meet the Deficit Margin on existing positions, then the Client will not be allowed to cancel pending orders in such underlying. Further, the Client agrees that if sufficient margin is

available to meet the Deficit Margin requirement then cancellation of order would be allowed and in addition deficit loss under the existing underlying positions, if any, will be blocked to the extent of available limits.

6. The Client agrees that ICICI Securities shall require the Client to provide Deficit Margin and Deficit Loss on existing positions, if any, under a particular underlying after each trade execution in the same underlying. This Deficit Margin and Deficit Loss on existing positions will be deducted from the limits of the client post trade execution.
7. The Client agrees that ICICI Securities may require the Client to provide such margin (in such form and manner as acceptable to ICICI Securities) depending on the Stock and market volatility on different contracts as it deems fit in its sole discretion as necessary for Risk mitigation. This margin requirement may be more than the margin prescribed by the Stock Exchange. The margin may be taken in cash or in form of securities as may be acceptable to ICICI Securities. In event the Client offers securities as

margin to ICICI Securities, then the Terms and conditions as hereunder shall apply.

8. The Client agrees to provide required Margin (including additional Margin) as may be determined by ICICI Securities from time to time. The Client agrees that ICICI Securities may, in its sole discretion, require the Client to provide additional / further margin depending upon the Client's positions, in form and manner acceptable to ICICI Securities. If the available Limit is not sufficient to meet the demand for additional Margin, ICICI Securities may close out the open position taken by the Client and the Client shall be solely responsible for any losses arising out account of the same. The client is aware that client's have been provided with tools on the website itself where the client can ascertain details of existing margin blocked, margins required, MTM loss adjustment, margin percentage, highlighting of open positions in a particular colour where available margin has fallen below minimum margin requirement, etc. The margin requirement derived by use of these tools would be construed as demand/ margin call for the additional margin required by I-Sec. The client is required to regularly monitor and review the Margin availability and furnish the additional Margin to ICICI Securities. ICICI Securities reserves the right to close out the open position at any time (without consulting the Client) in case the Client does not satisfy the additional Margin requirements. The Client undertakes to maintain sufficient limits to safeguard the open position from being squared off or pending orders from being cancelled.
9. The Client agrees that ICICI Securities may, in its sole discretion, change the margin requirement on Transactions where the Client has taken or proposes to take a position and/or require the Client to provide additional / further margin, depending on its own risk mitigation measures and without intimating or consulting the Client.
10. In case of upward revision of the margin requirement, the Client agrees to allocate additional margin (in form of cash or securities as may be acceptable to ICICI Securities) to continue with open position taken in

connection with the Transaction. The Client further agrees that ICICI Securities shall have the discretion to select stocks/contracts that will be enabled for trading in the Futures or Options and the margin requirement on such contracts.

11. Available margin: When the IMTM process is run, Available Margin is calculated by adding or deducting notional profits or losses respectively on open Futures as well as Short Options positions from Margin blocked with respect to an underlying. When the available margin is below the Minimum Margin required, New(revised) Initial Margin required on existing underlying portfolio (including open positions and pending orders) is re-calculated by taking latest SPAN margin calculated as per latest risk parameter files and latest exposure margin calculated at Current Market Price (CMP) of respective futures contract positions and at Current Market Price (CMP) of underlying of respective Short Options positions. Risk management system then computes Deficit Margin and Deficit Loss to arrive at Total Deficit. If the

Limits of the Client is sufficient to meet the Total Deficit, ICICI Securities would block additional Margin required out of the Limits available. In case Limits are not sufficient to meet the additional Margin requirements then ICICI Securities may place a square off order for appropriate quantity as it deems fit at market rate to close the position and the Client shall be solely responsible for any losses arising out of the same. However, before placing square off order all pending orders in that underlying (contracts having same underlying) may be cancelled by ICICI Securities. ICICI Securities shall determine, at its sole discretion, which contracts of a particular underlying are required to be squared off due to margin shortfall.

12. ICICI Securities reserves the right for inclusion or exclusion of contracts/positions for computation of notional profits or losses for arriving at Available Margin and ICICI Securities may decide not to give any benefit of notional profits while computing Available Margin at its sole discretion.
13. The Client understands that ICICI Securities has also provided a facility to the

Client wherein Client himself can run IMTM process to ascertain and block the additional margin requirements on Client open positions in a particular underlying at the time of running IMTM process. The IMTM process will consider blocking additional margin on underlying portfolios whose Available Margin has fallen below Minimum Margin required on such portfolios. If the margin made available by the Client is insufficient to meet the revised Initial Margin requirement, then the underlying will be marked for square off i.e. the positions in such underlying will be squared off by ICICI Securities for appropriate quantity as it deems fit when IMTM process is run by ICICI Securities.

14. The Client agrees that ICICI Securities, in its sole discretion, shall determine the sequence in which positions need to be squared off in case of margin shortfall in an underlying and shall at its discretion square off the riskiest positions first.
15. Client agrees that if any penalty is levied upon ICICI Securities by Exchange/ Clearing House due to short

margin collection from the Client (margin shortfall), then ICICI Securities reserves the right to recover such penalty from the Client by debiting the ledger of the Client or selling securities of appropriate value from the linked demat account of the Client. Client is liable to pay such penalty amount forthwith to ICICI Securities when demanded by ICICI Securities if funds/securities are insufficient to meet the penalty amount.

**J. MISCELLANEOUS:**

1. The client is aware that ICICI Securities Ltd. and ICICI Bank Ltd. with its subsidiaries and affiliates (collectively referred to as "group companies") are engaged, inter alia, in asset management, insurance, custodial services, securities trading, securities brokerage, banking services as well as providing investment banking and financial advisory services etc. ICICI Securities Ltd. / ICICI Bank Ltd. are also engaged in distribution of third party products and act as Merchant Banker, Investment Adviser and a Banker to public issues / offers and may hold proprietary positions in various products and avail on their own account various services offered by them and their

group companies under different capacities. ICICI Securities Ltd. / ICICI Bank Ltd. shall at all times maintain high standards of integrity in the conduct of their business and ensure fair treatment of its clients and thereby also avoid any possible conflict of interest in providing fair and unbiased services to clients. In order to avoid all possible sources and potential conflict of interest, ICICI Securities Ltd. / ICICI Bank Ltd. and its group companies have put in place various measures like (a) complying with applicable laws and acting in good faith and interest of customer at all points in time (b) having in place a conflict of interest policy (c) dealing with group companies under arms length principle (d) strong Chinese walls to prevent flow of customer information and ensuring customer confidentiality and privacy.

2. The Client shall not assign any right and obligations hereunder without first obtaining the prior written consent of ICICI Securities. ICICI Securities and ICICI Bank, may, however, assign their rights and obligations to any third person without the prior consent of the Client. However, in case of merger/ demerger of the

ICICI Securities Ltd with another entity / into another entity or any other corporate restructuring, ICICI Securities shall follow the process as per the applicable rules and regulations of the concerned Stock Exchanges/Regulators.

3. The Client agrees that the Client would be able to exercise the right to close/ freeze any of the accounts with ICICI Securities only if there is no obligation pending to be met by the Client in favour of either ICICI Securities or towards any other third party through ICICI Securities in any form.
4. The invalidity or unenforceability of any provisions of this Letter in any jurisdiction shall not effect the validity, legality or enforceability of the remainder of this Letter in such jurisdiction or the validity, legality or enforceability of this Letter, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder shall be enforceable to the fullest extent permitted by law.
5. The heading of each provision thereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or

obligations set forth in each such provision.

6. The Client shall at all times continue to be responsible for any transaction ordered on his accounts prior to the cancellation of the services. If the service is withdrawn for a reason other than the breach of the terms and conditions by the Client, the liability of ICICI Securities shall be restricted to the return of the annual charges, if any, recovered from the Client for the period in question. The closure of the accounts of the Client shall automatically terminate the web based brokerage service facilitated by the Website and ICICI Securities may suspend or terminate online trading facilities without prior notice if the Client has breached these terms and conditions or it learns of the death, bankruptcy or lack of legal capacity of the Client.
7. The Client agrees that ICICI Bank and / or ICICI Securities may forthwith terminate this Letter of Confirmation by giving a notice to the Client electronically or otherwise.
8. The Client agrees that in event the Client desires to terminate this letter of confirmation executed by the Client in favour of ICICI Securities and ICICI Bank, the Client shall give a written notice to ICICI Securities and ICICI Bank of its intention to so do, at least 30 (thirty) days in advance and shall obtain written acknowledgment of the receipt of the notice from ICICI Securities and ICICI Bank. Such termination shall not have any effect on the transactions executed before the date of such notice of termination and the parties shall enjoy the same rights and shall have the same obligations in respect of such transactions.
9. No forbearance, relaxation, failure or delay by ICICI Securities or ICICI Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege. The rights and remedies available to ICICI Securities and ICICI Bank herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
10. Any legal action or proceedings arising out of this Letter pertaining to dealings in stock market shall be brought in the relevant courts or tribunals as pro-

- vided in relevant / concerned Stock Exchange Rule, Regulation, byelaws and Circulars. For other products ICICI Securities and/or ICICI Bank, in their absolute discretion can opt to commence the legal action or proceedings arising out of these Letter in the appropriate courts, tribunals or other appropriate forum, and the Client irrevocably submits to the exclusive jurisdiction of such courts and tribunals.
11. I hereby confirm that details as provided by me above can be shared by I-Sec with the concerned Asset Management Companies (AMCs) or such other product providers, to whom FATCA norms are applicable, in whose schemes/products I may invest/transact in future through I-Sec.
  12. I understand that my signature may be mandatory on certain online application forms. To enable seamless processing of such online application forms, I authorize ICICI Securities Limited to affix the scanned image of my signature, as available in its records, on the physical printout of such investment applications for dispatch to the Registrar / AMC / Corporates / Banks / Financial Institutions / Credit Bureaus / Agencies / such other persons as ICICI Securities Ltd/ICICI Bank Ltd/its Group Companies may deem necessary and/or appropriate for further processing of the instructions.

## INSTRUCTIONS

### Who is a US person ?

In case of individuals, U.S. Person means a citizen or resident of the United States. Persons who would qualify as US Persons could be Born in the United States, Born outside the United States of a US parent, Naturalized citizens, Green Card Holders, Tax residents.

### Who is a Reportable Person (non US) under Common Reporting Standards (CRS)?

Under Common Reporting Standards (CRS), reportable person means Tax residents of a reportable foreign jurisdiction other than U.S.

[Please note that above information is provided only for quick reference to customers. You are requested to consult a legal/tax advisor if in doubt.]

### Documents to be collected if Customer's Country of Birth is US but declares that he/she is not a US Person

- Certificate of relinquishment of citizenship (loss of nationality certificate); OR
- Self certification for stating reasons for not having such a certificate despite relinquishing US citizenship; OR
- Self certification for stating reasons for not obtaining US citizenship at birth.

### What is a Functional Equivalent of TIN?

Many countries do not issue TIN to their Tax payers. However, such countries issue some other high integrity number which an equivalent level of identification. For Example:

- Social Security Number
- National Insurance Number
- Citizen or Personal Identification code or Number
- Resident Registration Number etc.

Providing TIN or a functional equivalent is mandatory for NRIs and foreign nationals and tax residents of foreign countries.

**PEP Definition:** 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.

Occupation	BSR Code	
	Male	Female
Agri Allied / Farmers (landholding hill, <=5 acres, >5acres)	<input type="checkbox"/> 41141	<input type="checkbox"/> 41142
Business - (Manufacturing, Trading Services , Retailing, Agriculture, Real Estate) Professional - (Doctor, CA/, Lawyer, Architect, Consultant, Engineer) Housewife, Retired, Student	<input type="checkbox"/> 41241	<input type="checkbox"/> 41242
Business (Shroff / Moneylender, Stock Broker , Dealers in Bullion )	<input type="checkbox"/> 41441	<input type="checkbox"/> 41442
Salaried - Proprietorship, Partnership, Pvt . Ltd, Public Ltd, Public sector, Government, Multinational, Wage salary earners, Others )	<input type="checkbox"/> 41341	<input type="checkbox"/> 41342