ZANSKAR

ZANSKAR SECURITIES PRIVATE LIMITED

BOOKLET – 2
CLIENT COPY

FOR

BSE - NSE - CDSL

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RIGHTS & OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS, AUTHORISED PERSON & CLIENTS AS PRESCRIBED BY SEBI & 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 thereunder 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.

A. CLIENT INFORMATION:

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

B. MARGINS:

1. 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.
2. 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 The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all.

C. TRANSACTIONS AND SETTLEMENTS:

1. 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.
2. 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.
3. The stock broker shall ensure that the money / securities deposited by the client shall be kept in a separate account, distinct from his / its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye- laws, circulars and notices of Exchange.
4. 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).
5. The transactions executed on the Exchange are subject to Rules, Bye laws 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 Bye Laws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Bye Laws and Regulations of the Exchanges and the circulars/notices issued thereunder.

D. BROKERAGE:
1. 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.

E. LIQUIDATION AND CLOSE OUT OF POSITION:
1. 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.
2. 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 stockbroker against the legal heir.
3. 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).

F. DISPUTE RESOLUTION:
1. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
2. 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.
3. 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.
4. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-a-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
5. The client / stockbroker 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.

G.TERMINATION OF RELATIONSHIP:
1. 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.
2. The stock broker & 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 1 month to the other parties. Not with standing 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.

H. ADDITIONAL RIGHTS AND OBLIGATIONS:
1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

6. 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.
7. 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.
8. The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

I. ELECTRONIC CONTRACT NOTES (ECN):
1. In case, the client opts to receive the contract note in electronic form, he shall provide an appropriate email 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.
2. The stock broker 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.
3. 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.
4. 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/emails 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.
5. 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.
6. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique username 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.

J. LAW AND JURISDICTION:
1. 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.
2. 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.
3. 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.
4. 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.
5. All additional voluntary clauses/documents added by the stock broker should not be in contravention with rules / regulations / notices / circulars of Exchanges/SEBI. Any changes in such voluntary clauses/documents 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.
6. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, 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.

RISK DISCLOSURE DOCUMENT (RDD)

This document contains important information on trading in Equities/Derivatives Segments of the stock exchanges. All prospective constituents should read this document before trading in Equities/Derivatives Segments of the Exchanges. Stock exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges /SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

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

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

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

1. BASIC RISKS:

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

1.2 Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and/or sell securities/derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all. Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

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

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

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

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

1.4.3 A 'Stop Loss' order is generally placed "away"; from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered

ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre - determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre- determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.
1.5 Risk of News Announcements: News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security/contract.
1.6 Risk of Rumors: Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.
1.7 System Risk: High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.
1.7.1 During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.
1.7.2 Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.
1.8 System/Network Congestion: Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/ glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

2. As far as derivatives segments are concerned, please note and get yourself acquainted with the following additional features:
2.1 Effect of Leverage & Gearing In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk.

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

a. Futures trading involves 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 the 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: 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.
2.2.1 Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
2.2.2 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 marketplace. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisors; 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:
2.3.1 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.
2.3.2 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:
2.4.1 If the price movement of the underlying is not in the anticipated direction, the option writer runs the risk of losing a substantial amount.
2.4.2 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.
2.4.3 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:
3.1 Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. General:
4.1 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.
4.2 The term 'stockbroker' 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.

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DO's AND DON'T FOR TRADING ON THE EXCHANGES FOR INVESTORS - A GUIDANCE NOTE

BEFORE YOU BEGIN TO TRADE:

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges www.exchange.com and SEBI website 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 digital 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 depository participant, please refer to the guidelines issued by SEBI/Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS:

1. 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.
2. Don't share your internet trading account's password with anyone. 3. Don't make any payment in cash to the stock broker.
4. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of a sub broker. Ensure that you have documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ depository participant such money or securities deposited and from which bank/ depository participant.
5. Note that the 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.
6. In case you have given specific authorization for maintaining a 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 the 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. 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.

7. In case you have not opted for maintaining a 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.
8. 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:

1. 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.
2. 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:

1. 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.
2. 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.
3. Note that all the stock broker / sub-brokers have been mandated by SEBI to designate an email address of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints.

RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER & DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI & STOCK EXCHANGES

A. 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 depository participant 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 depository participant or furnished to the DP from time to time.

B. FEES/CHARGES/TARIFF:

1. 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 depository participants."
2. In case of Basic Services Depository participants, 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.
3. 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.

C. DEMATERIALIZATION:

1. 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.

D. SEPARATE ACCOUNTS:

1. 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.
2. 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 depository participant 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.

E. TRANSFER OF SECURITIES:

1. The DP shall effect transfer to and from the depository participants 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.
2. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his depository participant and the DP shall act according to such instructions.

F. STATEMENT OF ACCOUNT:

1. 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.
2. However, if there is no transaction in the depository participant, 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.
3. The DP may provide the services of issuing the statement of depository participants in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of depository participants 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 depository participant in the electronic mode, then the Participant shall be obliged to forward the statement of depository participants in physical form.
4. In case of Basic Services Depository participants, the DP shall send the transaction statements as mandated by SEBI and / or Depository from time to time.

G. MANNER OF CLOSURE OF DEPOSITORY PARTICIPANT:

1. The DP shall have the right to close the depository participant 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 depository participant 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 depository participant should be transferred to another depository participant of the Beneficial Owner held with another DP or to rematerialize the security balances held.
2. 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 depository participant 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.

H. DEFAULT IN PAYMENT OF CHARGES:

1. 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 depository participant 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.

2. 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.

I. LIABILITY OF THE DEPOSITORY:

1. As per Section 16 of Depositories Act, 1996, a. 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. b. 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.

J. FREEZING/ DEFREEZING OF ACCOUNTS:

1. The Beneficial Owner may exercise the right to freeze / defreeze his / her depository participant 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.
2. 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.

K. REDRESSAL OF INVESTOR GRIEVANCE:

1. 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.

L. AUTHORIZED REPRESENTATIVE:

1. 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.

M. LAW AND JURISDICTION:

1. 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 under the Rules, Bye Laws and Regulations of the respective Depository in which the depository participant is opened and circulars/notices issued thereunder or Rules and Regulations of SEBI.
2. 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.
3. 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.
4. 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.
5. 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.
6. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, 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.

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GENERAL POLICIES AND PROCEDURES

DIGITAL TECHNOLOGY PLATFORM FOR INVESTING & TRADING

1. Zanskar is a digital technology platform for investing and trading that is owned, operated and managed by Zanskar Securities Private Limited. As a user of the platform, you understand that Zanskar will be subject to operate as per the guidelines, procedures, processes and regulations set by the SEBI, exchanges, depository and other regulatory, government and statutory organizations and bodies that enable us to operate.
2. Zanskar also depends on a lot of third party service providers and organizations that enables us to provide you the products & services - this includes connectivity, infrastructure, data, payment gateways, software and service providers, etc including partnerships that may directly or indirectly provide you or us their products and services.
3. As a user of the platform, you understand that Zanskar acts as a platform and will do its best to provide its product & services on the best effort basis.

BROKERAGE RATES, TRANSACTION FEES & CHARGES

1. The schedule of Brokerage and other fees/charges applied by Zanskar on the clients/users are provided under the heading 'Tariff Sheet' in the client account opening form. The current charges applicable will also be displayed on the pricing section of Zanskar website.
2. Within the mentioned scale, the brokerage and other charges as agreed by the client is indicated and duly signed by the client in that section.
3. If there is any upward revision of brokerage, the same will be informed to the clients with 15 days prior notice. However, all the brokerage and other charges are subject to the maximum limits as prescribed by SEBI/Exchanges/Government and other Regulatory authorities from time to time.
4. Clients are advised to keep a track of the latest brokerage rates, fees and charges on Zanskar website on www.zanskarsec.com

REFUSAL OF ORDERS FOR PENNY STOCKS, ILLIQUID STOCKS & SCRIPTS, SUSPICIOUS SCRIPTS, AND LIKES

1. Zanskar offers trading facility to its clients in all the compulsorily dematerialised stocks which are listed/traded on the Stock Exchanges. However, Zanskar discourages/restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to Zanskar.
2. Definition of Penny Stocks may also include illiquid, suspicious stocks & scripts, and other stocks as deemed by Zanskar.
3. 'Penny Stocks' for this purpose shall includes :

a. Stocks appearing in the list of illiquid securities issued by the Exchanges from time to time.
b. Stocks which are highly illiquid and have a low market capitalization and 'Z' Group Securities.
c. Any securities as may be restricted for trading by Exchanges.

4. Any other securities that may be restricted for trading by Zanskar based on its internal evaluation and/or by assessment by Zanskar or its Risk Management Team or depending on multiple circumstances on any particular trading day on exchanges or internal/external factors.
5. As a part of the Risk Management System, Zanskar restricts clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Also Zanskar have or may have in place further restrictions in terms of quantity/value in each/all penny stocks together as notified by its extant circulars.
5. Zanskar may at any time at its sole discretion block/restrict the client's trading account in Zanskar app/website/api/trading terminal or any channel owned or managed by it that may prevent the client from placing orders in such penny stocks.
6. Further in case the client is able to place an order for penny stocks which are restricted by Zanskar through Online Trading Platform or otherwise, Zanskar may not accept such order.
7. Zanskar shall not be held liable for restricting/prohibiting trade in penny stocks at any time.
8. Further Zanskar shall not be held liable or responsible in any manner whatsoever for any refusal/cancellation of orders for trading in penny stocks/other securities and the client shall indemnify Zanskar in respect of any loss caused to Zanskar by virtue of the client trading in penny stocks.

SETTING UP OF CLIENT EXPOSURE LIMITS

1. As part of Risk Management Policy, Zanskar shall set client's exposure limits depending on the type of securities provided as margin/available funds in the client's ledger/securities pledged for margin, plus fixed deposits/bank guarantees provided by the client and the client's profile/ financial status. Exposure limits are also set based on categories of stocks/position (derivatives) clients can trade.
2. Zanskar can change the securities that are acceptable as margin and their categorization from time to time at its sole discretion.

Further client categorization may also be changed based on various factors including trading pattern of clients, profile/residential status/income status/financial status of client.

3. Zanskar from time to time shall apply such haircuts (the percentage difference between an asset's market value and the amount
that can be used as collateral for a loan) as may be decided by, as part of the internal risk policy, on the approved securities against which the Exposure limits are given to the client.
4. Zanskar may from time to time change the applicable haircut or apply a haircut higher than that specified by the Regulators / Exchanges as part of its Risk Management System. Subject to the client's exposure limits, client may trade in securities and/ or take positions in the futures and options segment. Client shall abide by the exposure limits, if any, set by Zanskar or by the Exchange or Clearing Corporation or SEBI from time to time.

5. Limits/ Exposure provided shall vary based on the intraday/delivery/carry forward positions made by the client. The exposure limits set by Zanskar does not by itself create any right for the client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits.
6. The client agrees to compensate Zanskar in the event of Zanskar suffering any loss, harm or injury on account of exposure given and/or withdrawn.
7. In case of sale of Securities, such sale may at the discretion of Zanskar be provided only to the extent of the availability of securities in the account of the client (Free balance in DP, DP lien/hold marked securities, Stock available in Zanskar Client unpaid securities and collateral Account).
8. Further the credit received against sale may be used for exposure as may be decided by Zanskar from time to time. In case of derivatives, Clients shall be allowed to trade only up to the applicable client wise position limits set by the Exchanges/Regulators from time to time.
9. Zanskar may from time to time demand additional margin from the client in the form of funds or securities if there is a requirement for the same and the client shall be required to provide the same.

PAYMENT TOWARDS TRADES, SETTLEMENT, FEES, OBLIGATIONS & MORE:
TIME OF PAYMENT:
1. The client agrees and understands that Zanskar provides prospective clients to transfer money upfront through payment gateway after filling up all the required details. However, the prospective client will not be registered as a client of Zanskar, till the time due diligence prescribed by regulators for KYC are complied with by the client. In such cases if the client is not registered due to incomplete due diligence of KYC or any other reason, then the money received from the client will be returned/refunded when the customer requests for the same through the official Zanskar help channels.
2. The client will also have to make a margin payment for shares purchased and sold either for square-off or delivery or on derivative contracts. The amount will be as charged by the relevant Exchange. However, in case the Exchange charges a margin amount over and above the normal margins, Zanskar can make a margin call to the Client who will need to have to pay the relevant margin as charged by the Exchange. The client agrees and understands that Zanskar would request/demand the client to provide documentary proof / evidence such as a bank statement etc.
3. The client shall make all remittances to Stock Broker (i.e. payment for all purchase transactions plus taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker) by the value date for each transaction. The value date for all purchases will be the pay-in day less two days, where the pay-in day is specified by the Exchange Clearing House for the relevant settlement period. A notional debit may be made with respect to the Limit on the last day of the Settlement Cycle, notwithstanding that actual payment is due on a later date and such notional debit shall be reversed on receipt of payment.
4. Zanskar shall remit funds to the client (i.e. payment for all sale transactions less taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker), less any amounts deducted for shortages by the value date. The value date for all sales will be pay-out day plus two days where the pay-out day is specified by the Exchange Clearing House for the relevant settlement period.
5. In the event of the client having made both sales and purchases during a Settlement Cycle on the same Stock Exchange, the amount due from and to the client shall be netted off and only the difference shall be payable by or to the client. A notional debit or credit as the case may be, may be made to the Limit at the end of day until the actual payment is made.

MODE OF PAYMENT
1. No cash payment will be received from/ made to the client as per the extract SEBI/Exchange/Income Tax/PMLA Regulation, Guidelines, Circulars, etc. accordingly Zanskar will not be responsible for any claim of receipt/payment in cash by client from/to Zanskar.
2. In the case of a purchase transaction, the client shall remit funds within the time period provided to Zanskar in any of the following ways:
2.1 Authorized electronic transfer (UPI, Netbanking, etc.) of funds from Client's Bank Account to Stock Broker's bank account in the Designated Bank
2.2 Credit will be given to the client immediately on authentication of payment authorization, however the client has to intimate Stock Broker immediately after making payment through option as mentioned.
2.3 Payment referred shall be accepted only from the client's registered bank account.
2.4 Payment shall be made by the Client only as referred.
2.5 Stock Broker shall not accept/ acknowledge/ give credit for any payment made in cash.
3. In the case of a sale transaction, Zanskar shall remit funds to the client within the time period provided, provided the client has delivered the securities sold to Stock Broker within the time prescribed by the following ways as requested by the client
3.1 Electronic transfer of funds into the Bank Account of the Client registered with Zanskar.
3.2 Electronic transfer of funds into any other bank account of the Client as may be specified by the Client, and accepted by Stock Broker.
3.3 All payments shall be made only in the name of the client.
4. Zanskar will not be responsible for any kind of claims raised by the clients regarding payment made in cash.
5. Mobile number is compulsory for opening a Demat/Trading account with Zanskar and Interface with a payment gateway will be offered to the client at the website/app itself.
6. Zanskar shall have the prerogative to refuse payments received from any bank account where the client is not the first holder or which is not mentioned in the KYC or which the client has not got updated subsequently by submitting a written request along with adequate proof thereof as per proforma prescribed by Zanskar.

7. Zanskar shall not be responsible for any loss or damage arising out of such refusal of acceptance of payments in the situations mentioned above. However, due to oversight, if any such third-party payment has been accepted by Zanskar and the credit for the same has been given in the client's ledger, Zanskar shall have the right to immediately reverse such credit entries on noticing or becoming aware of the same.
8. In such a case, Zanskar reserves the right to liquidate any of the open positions and/or any of the collaterals received/ held on behalf of the client. Zanskar, its Directors and employees shall not be responsible for any consequential damages or losses.

DEFAULT IN PAYMENT

1. The client agrees that Zanskar may set off his/her credit balances on NSE/BSE, hereinafter referred to as the "Exchanges" against the debit balances in one or more accounts of the client in relation to the said Exchanges and segments of the Exchanges. Without prejudice to the Stock Broker's other rights (including the right to refer a matter to arbitration), Zanskar as Stock Broker shall be entitled to liquidate/ close out all or any of the client's positions in cash segment or derivative segment on any Exchange 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.
2. Any and all losses and financial charges on account of such liquidation/ closing-out shall be charged to and borne by the client. On a default by the client to remit any money payable to Stock Broker, Stock Broker shall be entitled to appropriate the money maintained by the client in the Minimum Margin Deposit towards its dues. The Minimum Margin Deposit with Stock Broker shall be subject to a lien for the discharge of any and all indebtedness or any other obligation that the client may have to Stock Broker.
3. The brokerage services along with other product & services offered by Zanskar shall be suspended to the client until such time as the client replenishes funds adequate to maintain the Minimum Margin Deposit at the stipulated level.
4. Notwithstanding anything contained in these present, any amounts which are overdue from the client towards trading either in the cash or derivative segments or on account of any other reason the client will be charged delayed payment charges at the rate of 0.05% per day or such other rate as may be determined by the Stock Broker.
5. The client hereby authorises the Stock Broker to directly debit the same to the account of the client.
6. The client also authorises the Stock Broker to liquidate any holdings, securities pledged to an extent to collect the payments defaulted by the client.
7. In the event the client makes the specific request to the stockbroker for the physical documents instead of electronic /digitally signed documents including contract notes/ statement of accounts etc. and subject to the stockbroker being in a position to do so; the client agrees to pay all such amounts that the stockbroker may charge to cover the operational cost that the stockbroker incurs in preparing and delivering the said communications, documents, reports and alerts.
8. The client hereby agrees and understands that in case of any noncompliance and/or default by the client such as cheque bouncing, trade change, F&O short margin, UCC violation, price rigging or for any other matters as may be decided by Stock broker from time to time, without prejudice to the Stock Broker's other rights, Stock Broker may levy charges/ penalties on the client and debit such charges/ penalty in the client's account.

IMPOSITION OF PENALTY OR INTEREST ON DELAYED PAYMENT

1. The clients are required to settle the pay-in/ provide margin within the time limits provided by Exchanges/SEBI/Zanskar.
2. In case the client fails to provide the same within the prescribed time, Interest on delayed payment shall be levied at upto 0.05% per day, on the client's account on any delayed payments towards trading either in the cash or derivatives segments or on account of any other reason beyond the due date of payment as may be prescribed by Zanskar.
3. Such Interest on delayed payment shall be directly debited to the account of the client at the end of every month\Week\Daily basis. This is only a penal measure and intended to bring in discipline in the clients to clear the dues in time as Zanskar has to clear its obligations to the Exchange as per the time limits set by the Exchanges.
4. Zanskar reserves the right of imposition of interest on delayed payment on the client account and the client shall be liable for payment of such charges at such rate as may be prescribed by Zanskar from time to time.

RIGHT TO SELL CLIENTS SECURITIES OR CLOSE CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT ON ACCOUNT OF NON-PAYMENT OF DUES (LIMITED TO SETTLEMENT/MARGIN OBLIGATIONS)

1. As a part of its Risk Management Policy, Zanskar shall have the sole discretion to square off the open position of the client and/ or sell clients' securities (including securities maintained as margin with Zanskar and securities lying in client's beneficiary/ depository participant) in case the client fails to meet its settlement/ margin obligations in time.
2. The specific securities to be sold and the positions to be squared off shall be decided solely by Zanskar. Further, the square off of the client's open position or the selling of securities may be executed on such Exchanges and at such price as may be decided by Zanskar.
3. Zanskar shall have no obligation of communicating the same to the client.
4. Zanskar shall not be responsible for any losses incurred by the client due to such squaring off of the open position of client.
5. Zanskar reserves the right to square off client's open positions or sell clients' securities under following circumstances.
5.1 Where the limits given to the client have been breached.
5.2 Where the client has defaulted on their existing obligation and/or have failed to make payments/deliver securities to Zanskar within the stipulated time period as may be prescribed by Zanskar.
6. In addition to above, in case of equity and currency derivatives transactions,
6.1 Where the margin or security placed by the client with Zanskar falls short of the applicable minimum margin as may be required to be maintained by the client.
6.2 Where Mark to Market Loss on the open position has reached the stipulated % of the margins placed with Zanskar and the client has not taken any steps either to replenish the margin or reduce the Mark to Market Loss.

6.3 If the open position is neither squared off nor converted to Delivery by client within the stipulated time.
7. Zanskar reserves the right to square off the open position of client and/or sell client's securities under the prescribed circumstances, but Zanskar is not obligated/does not guarantee to square off open positions and/or sell client's securities.
8. The client shall be solely responsible for the trading decisions taken by the client. It shall be the responsibility of the client to make payments towards outstanding obligations and/ or applicable margins to Zanskar in time irrespective of whether Zanskar exercises its right to square off positions of the client in accordance with the provisions given herein above.
9. Client shall be solely responsible for any resultant losses incurred to client due to selling of client's securities by Zanskar or squaring off the client's open positions or for not doing so.
10. All losses in this regard shall be borne by the client and Zanskar shall be fully indemnified and held harmless by the client on this behalf.
11. Any square off executed by Zanskar, resulting in selling of any security for the aforementioned reasons, will result in creation of obligation on the client. Therefore Zanskar reserves the right to fulfill this obligation, on behalf of the client.

RIGHT TO RECOVER DUES AND DEBTS FROM CLIENTS

The client accepts to comply with Zanskar's requirement of payment of Margin/settlement obligations of the client, immediately failing which Zanskar may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin/lying in the beneficiary account of Zanskar or square-off all/some of the outstanding F&O positions of the client as it deems fit at its sole discretion without further reference to the client and any resultant/associated losses that may occur due to such square - off/sale shall be borne by client and Zanskar shall be fully indemnified and held harmless by the client in this behalf at all times.

SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

1. In case the client defaults on his\her security pay-in obligation and in the event the trade has been internally netted off by Zanskar, there could be internal shortages. The internal shortages are marked against the client randomly at the sole discretion of Zanskar taking into account the delivery obligations through Exchanges.
2. In case of an internal shortage, the defaulting client on sell side will be debited by Internal Auction valuation debit and the client on the buy side will be credited by the same amount debited to the defaulting client.
3. Valuation Debit will be calculated by multiplying quantity short delivered on the pay-in date with the valuation price.
4. Valuation price will be calculated as below:
a. The Valuation price shall be higher of, 2% above the closing price of Auction date in normal market of the exchange, or
b. Highest traded price between Trade date and Auction date
5. All losses to the client on account of the above shall be borne solely by the client and Zanskar shall not be responsible for the same. In case of any claim against Zanskar, the client shall indemnify Zanskar in this regard.
6. All the securities having corporate action will be settled on cum basis in favour of the buyer.
7. The internal netting process will be subjected to change from time to time.

CONDITIONS UNDER WHICH CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITIONS OR BROKER MAY CLOSE EXISTING POSITIONS OF CLIENT

In addition to the conditions as provided under the policy of right to sell securities and close out client's open position as detailed above, Zanskar shall have the right to refuse to execute trades/allow the client to take further positions and/ or close out the existing positions of client under following circumstances:

a. As a result of any Regulatory directive/restriction
b. Non-receipt of funds/securities and/or bouncing of cheque received from the client towards the obligations/margin/ ledger balances
c. Due to technical reasons
d. Securities breaching the limits specified by the Exchanges/Regulators from time to time
e. In case of failure to meet margin including mark to market margins by the client
f. In case securities to be transacted by clients are not in dematerialized form
g. Any other conditions as may be specified by Zanskar from time to time in view of market conditions, regulatory requirements, internal policies etc. and risk management system
h. Due to any force majeure event beyond the control of Zanskar. Zanskar shall not be responsible for any loss incurred and the client shall indemnify Zanskar in this regard.

TEMPORARILY SUSPENDING OR CLOSING OF CLIENT ACCOUNT AT THE CLIENT REQUEST

1. Zanskar may suspend or close the trading account of the client pursuant to SEBI or any other regulatory directive for such period as may be prescribed by the respective regulator or government authority.
2. Zanskar may further at its sole discretion and with/without information to the client, prohibit or restrict or block the client's access to the use of the web site or related services and the client's ability to trade due to market conditions and other internal policies including policy with respect to prevention of money laundering.
3. Client can initiate temporary suspension/closure of its account at any time by giving a request to Zanskar. However, such suspension/closure will be effected subject to clearance of all dues and settlement obligations by the client and subject to approval of Zanskar.
4. Trades in the account of the client during the period of such temporary suspension shall not be permitted. Notwithstanding any such suspension/ closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure/ suspension shall continue to subsist and binding on the client. In case the account has been

temporarily suspended at the request of the client, the account shall be reactivated only on submission of a written request for reactivation by the client.

SUSPENSION/CLOSURE OF CLIENT ACCOUNT

1. Zanskar may suspend/close the client if the client breaches the terms and conditions of the member-client agreement or provides any false information or declarations. The client will be provided with adequate notice.
2. Zanskar may suspend/close the client account if there is any instruction from competent authorities like regulators, statutory bodies or law enforcement agencies or if the client is suspected to be involved in any activities in violation of applicable Rules and Regulations. Any liabilities arising out of this action will be the sole responsibility of the client.

TREATMENT OF INACTIVE ACCOUNTS:

1. In case the Trading and/or Depository Participant of the client is not operated by the client for a continuous period of twelve months the same will be considered to be 'Inactive Account'.
2. Such Inactive Account will be blocked for further transactions by the client. The client will have to submit following documents/ confirmation, for re-activation of such blocked account:

a. Call the Customer Care centre identifying himself/herself (through validation questions) and requesting for activation of account for placing request for re-activation of account; or

b. By placing a request for re-activation of account through the website/mobile app.

3. During the blocked period if there are any debit/ dues to Zanskar in client's account, Zanskar shall have the authority to liquidate the client's position to the required extent during the block period. During the block period if any corporate actions or pay-outs are due for return to the client, the same will be affected/returned by Zanskar to the client's account.

PLEDGE OF CLIENTS SECURITIES:

In accordance with SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, as stock broker is entitled to have a lien on client's securities to the extent of client's indebtedness to the stock broker and stock broker may pledge those securities. The client agrees that Stock Broker in accordance with the above circular may pledge their securities to the extent of their indebtedness with their explicit authorization.

All the above policies and procedures of Zanskar are applicable to users and client's investment and trading accounts and are subject to change/updation by Zanskar from time to time. The updated policies and procedures of Zanskar shall be posted on the website of Zanskar (www.Zanskar.co) and will be available for reference to clients/users of Zanskar.

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RIGHTS & OBLIGATIONS RELATING TO MARGIN TRADING FACILITY (MTF) PROVIDED TO CLIENTS

1. Zanskar whenever permitted, will extend Margin Trading Facility (MTF) to the clients on such terms and conditions as specified by the Stock Exchanges/SEBI from time to time and as mutually agreed by and between Zanskar and the Clients. This Rights and Obligation comprises the terms and conditions applicable to MTF and Zanskar and clients shall abide by the same and any other requirements of the margin trading framework, including other rights and obligations, if any, prescribed by the Stock Exchange/SEBI/Zanskar from time to time. Any modifications to the terms and conditions, other than those prescribed by SEBI/Stock Exchanges, shall be intimated to the Clients giving 15 days' notice in advance.

2. Equity Shares that are classified as 'Group I Security" by SEBI/Exchanges only shall be eligible for MTF. Zanskar, at its discretion, may not provide funding under MTF to certain equity shares though classified to be "Group I Security" by SEBI. Equity shares shortlisted by Zanskar for margin trading funding (Approved List) shall be as displayed on Zanskar's website from time to time.

3. Initial margin, increased margin, margin shortage, margin calls, maximum allowable exposure, maximum stock specific exposure, trade confirmation, square off intimation and such other information in relation to MTF shall be communicated to the Clients electronically to his/her registered email/mobile number and/or website and/or in-app communication

4. In order to avail of margin facility, the minimum initial margin required to be provided by the Clients, as prescribed by SEBI/Stock Exchanges, is as under and this may be subject to change from time to time:

CATEGORY OF STOCK	APPLICABLE MARGIN
Group I stocks available for trading in the F&O Segment	VaR + 3 times of applicable ELM*
Group I stocks other than F&O stocks	VaR + 5 times of applicable ELM*

*For aforesaid purpose, the applicable VaR and ELM shall be as in the cash segment for a particular stock.

5. Client shall be required to provide the minimum initial margin as applicable for a particular stock to buy that stock under MTF. The margin shall never be lower than that prescribed by the Stock Exchange/SEBI. However, Zanskar shall have the right to demand a higher initial margin than the margin prescribed by SEBI/Stock Exchanges.

6. Subject to the initial margin as aforesaid, Zanskar may, at its sole and absolute discretion, revise and increase from time to time the margin required for any stock permitted to be traded under MTF. Where a client has exposure in the stock in respect of which margin has been revised but does not already have sufficient credit in the account to meet increase in margin, Client shall pay margin found short within the time prescribed for making margin payment.

7. Applicable minimum initial margin, increased margin, margin shortfall, if any, can be paid in the form of cash, cash equivalent (via electronic/digital payment mode only), or Group I equity shares with appropriate hair cut as specified in SEBI Master Circular No. SEBI/HO/MRD/DP/CIR/P/2016/135, DTD. 16/12/2016. Clients shall have the right to change collateral securities provided under the MTF with other collateral securities provided that such other collateral securities are approved and sufficient to meet the margin required.

8. Margin requirement on shares purchased under MTF shall be computed by grossing applicable margin i.e., minimum initial margin plus increased margin, if any, on each stock and shortage computed accordingly by deducting available margin from gross margin. Collateral shares and shares purchased under MTF (Funded Shares) shall be marked to market daily for the purpose of computing the margin/shortage of margin.

9. Applicable minimum initial margin and increased margin, if any, shall be kept supplied at all times by the clients in respect of the stocks purchased under the MTF. Client shall pay any shortage in the required margin immediately on receiving demand (margin call) and in any case not later than 11.00 AM on the trade day following the day of making the margin call (prescribed time) failing which Zanskar shall be at liberty to liquidate the funded shares and/or collateral shares to recover the dues outstanding in the account of the Clients. In case of extreme volatility in the market, Zanskar may demand payment of margin forthwith and prescribed time for making margin payment shall be construed accordingly. Decision of Zanskar in relation to market volatility shall be final and binding without Zanskar having to provide any reason for the decision to the Client. Clients agree that Zanskar reserves the right to liquidate the funded shares and/or collateral shares at any time to meet its obligations arising out of its requirements for settlements/ risk/ liquidity/market volatility.

10. If required margin is not provided within the prescribed time, Client shall be treated as client in margin default. Zanskar shall not be obliged to notify the client in margin default of the liquidation of shares, ahead of liquidation. Zanskar shall not be obliged to liquidate shares proportionate to the shortage in margin.

11. Client in margin default shall continue to be in margin default, until the required margin is furnished in full to eliminate the shortage. Partial payment of margin or a change in the required margin shall not extend the time stipulated for making margin payment which will run from the time of making margin call to the Client.

12. In case margin is reduced by an amount equal to applicable ELM component of the total margin due to market volatility within a trading day (i.e., available margin becomes equal to or less than applicable VaR margin), Zanskar reserves the right to liquidate the collaterals and/or funded shares forthwith without prior notice to the client.

13. MTF Clients purchasing shares not specified in Zanskar Approved List of Group 1 securities shall be required to 100% margin upfront for such purchases.

14. If any shares are delisted from Zanskar Approved List, Client shall be required to make payment of full purchase consideration against such shares on receiving margin call within the prescribed time, failing which Zanskar shall be at liberty to sell such shares without further notice to the Client.

15. If a client is debarred by orders of lawful authority from trading in the securities market, Zanskar shall liquidate collateral and funded shares of the client to recover its dues to the full extent forthwith.

16. In case of death of a client, Zanskar shall be entitled to liquidate the collateral and funded shares under MTF and recover the unpaid outstanding due.

17. Any loss arising from liquidation of the shares shall be to the account of the Client. Client shall forthwith pay Zanskar any unpaid dues outstanding in the account after liquidation of the shares.

18. Zanskar reserves the right to withdraw MTF with respect to any Client without assigning any reason after giving a reasonable notice to the Client in which case dues if any outstanding in the account of the Client shall become payable immediately. Failure to make payment of the outstanding dues shall result in liquidation of collateral and/or funded shares held in Client's Account.

19. Client may terminate the MTF account after paying all dues in the MTF account.

20. Zanskar shall not use the funds and securities of one client to provide MTF to another client, even on the authority of the client.

21. The stocks deposited as margin collateral and funded stock shall be identifiable separately and no commingling shall be permitted for the purpose of computing funding amount.

22. Zanskar may at its option allow client to buy further shares under MTF on the basis of increase in the value of collateral shares, subject to applicable haircut. Further purchase shall not be permitted on the basis of increase in the market value of funded shares.

23. 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.

24. Zanskar shall restrict the maximum gross exposure as well as individual stock-wise exposure of a client under the MTF at any point in time according to its internal policies and market views without assigning any reason(s) to the client. Furnishing applicable margin shall not by itself entitle the client to seek exposure beyond the limit restricted by Zanskar.

25. Admitting clients for MTF shall be at the discretion of the Stock Broker/Trading Member. Clients' request for admission to MTF may be disallowed without assigning any reason.

26. By agreeing to avail of MTF, the client shall be deemed to have authorized Zanskar to retain and/or pledge the shares purchased under MTF (funded shares) and collateral shares provided as margin till the amount due in respect of the purchase and all other dues are paid in full by the Client.

27. All outstanding dues under MTF shall carry interest @ 14% per annum.

28. Outstanding dues shall not be carried in the books beyond 90 days from the date of accrual and in case Client fails to pay up the dues within the said 90 days, collateral and/or funded shares shall be sold to liquidate the dues, even though applicable margin is available in the MTF account of the Client. For this purpose, 90 days shall be computed with respect to each debit entry in respect of purchases under MTF separately and liquidation shall be carried out accordingly. Zanskar shall have discretion to sell any stock/stocks to liquidate the outstanding dues older than 90 days.

29. Clients shall be free to take delivery of the shares purchased under MTF anytime, but not later than 90 days, from the date of funding by making full payment of the outstanding dues in relation to the shares purchased.

30. Until full payment of the outstanding dues in the MTF A/c is made by the Client, collateral shares and funded shares, as far as may be required, shall be retained in the Demat A/c of Zanskar, separately identified as collateral shares and funded shares.

31. Daily margin statements sent to the MTF clients shall identify margin/collateral for MTF transactions separately.

32. MTF account where there is no transaction under MTF for more than 90 days shall be settled immediately on expiry of said 90 days provided there are no dues outstanding in the MTF account. Dues if any outstanding in the normal trading account shall be first adjusted against the settlement amount and the remainder shall be paid to the Client.

33. Zanskar shall declare and communicate to the Client risk management policies that it will follow with respect to MTF transactions. Zanskar may amend the policies from time to time according to its risk perceptions and inform the Clients of the amendments made.

34. Any disputes arising between the client and Zanskar in connection with the margin trading facility shall be resolved through the investor grievance redressal mechanism and/or arbitration mechanism of the stock exchanges as in the case of normal trades.

35. 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, SEBI Circular No. CIR/MRD/DP/54/2017 Dtd. June 13, 2017, the Circulars relating to MTF issued by the respective Stock Exchanges, any modifications thereto from time to time and the Policies and Procedures prescribed by Zanskar and the terms and conditions of client's agreement with Zanskar. In case of any inconsistencies between the Rights and Obligations herein and the provisions in the aforesaid SEBI and/or Stock Exchange Circulars, the latter shall prevail to the extent of such inconsistencies.

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