

Application No. :

**FIRST GLOBAL**

*The Science and Prescience of Markets*

TM



***FIRST GLOBAL STOCKBROKING PVT. LTD.***

***Member : National Stock Exchange of India Ltd. (NSE)  
Bombay Stock Exchange Ltd. (BSE)***

**Client Registration Form  
For Non Individuals**

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

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

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Registered & Head Office : Ratnam Square, Plot No.38/39, Sector-19A, Vashi, Navi Mumbai-400703

Tel. : 91-22-611665500 / 27841008 • Fax : 91-22-6116 6520

Website

: [www.firstglobalsec.com](http://www.firstglobalsec.com)

## GENERAL INSTRUCTIONS

- Modifications / Cancellations should be countersigned.
- Originals must be produced for verification at the time of submission of Application.
- In case of HUF / Proprietorship firm / Partnership firm / Company account, rubber stamp must be affixed along with signatures.

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### Mandatory Documents as Prescribed by SEBI & Exchanges

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		B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	10 to 13
2.	Rights and Obligations	Document stating the Rights & Obligations of stock broker/ trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	14 to 19
3.	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	20 to 24
4.	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	25 to 26
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### Voluntary Documents

Sr. No.	Name of the Document	Brief Significance of the Document	Page No.
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Name of stock broker/trading member/clearing member : FIRST GLOBAL STOCK BROKING PRIVATE LIMITED.

SEBI Registration No. and date : SEBI Regd No. INZ000210739  
Dated 30 November, 2018

Registered and Head office : Ratnam Square, Plot No.38/39  
Sector 19A, Vashi, Navi Mumbai-400703  
Website: : [www.firstglobalsec.com](http://www.firstglobalsec.com)

Correspondence office address : Ratnam Square, Plot No.38/39, Sector-19A,  
VASHI, NAVI MUMBAI-400 703  
Ph: +91-22-27841 008 / 61166500  
Fax : 91-22-61166562  
  
Website: : [www.firstglobalsec.com](http://www.firstglobalsec.com)

Compliance Officer Name : Mr. Priyesh Gosalia Phone No: +91-22-27841 008 / 61166500

Phone No. & email id : E-mail id: [priyesh.gosalia@firstglobalsec.com](mailto:priyesh.gosalia@firstglobalsec.com)

CEO Name, Phone No. & email id : Mr. Neeraj Khanna, Phone No: + 91-22-27841 008 / 61166500  
Email id: [neeraj.khanna@firstglobalsec.com](mailto:neeraj.khanna@firstglobalsec.com)

For any grievance/dispute please contact at the above address or email id- [info@firstglobal.in](mailto:info@firstglobal.in) and Phone No. +91-22-27841 008 / 61166500. In case not satisfied with the response, please contact the concern exchange(s) BSE at [is@bseindia.com](mailto:is@bseindia.com) & Phone No. +91-22-22728097 & NSE at [ignse@nse.co.in](mailto:ignse@nse.co.in) & Phone No. +91-22-26598190.

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Retail Head Office : Ratnam Square, Plot No 38 / 39, Sector -19A,  
Vashi, Navi Mumbai - 400703.  
Tel. : +91-22-27841 008 / 61166500  
Fax: +91- 22-61166562

NSE (Capital Market Segment), Member Code	7221
NSE (F & O Segment), Clearing Member Code	7221
SE (Cash Segment), Member Code	0129
SE (Currency Derivatives Segment), Member Code	0129

# KNOW YOUR CLIENT (KYC) APPLICATION FORM FOR NON-INDIVIDUAL

Please fill this form in ENGLISH and in BLOCK LETTERS.

## IDENTITY DETAILS

Name of the Applicant

Date of incorporation D D M M Y Y Y Y Place of incorporation

Date of commencement of business: D D M M Y Y Y Y PAN

Registration No. (e.g. CIN)

Status (please tick any one):

- |  |  |  |  |                                |
|--|--|--|--|--------------------------------|
| <input type="checkbox"/> Private Limited Co.           | <input type="checkbox"/> Public Ltd. Co. | <input type="checkbox"/> Body Corporate  | <input type="checkbox"/> Partnership                 | <input type="checkbox"/> Trust |
| <input type="checkbox"/> Charities                     | <input type="checkbox"/> NGO's           | <input type="checkbox"/> FI              | <input type="checkbox"/> FII                         | <input type="checkbox"/> HUF   |
| <input type="checkbox"/> AOP                           | <input type="checkbox"/> Bank            | <input type="checkbox"/> Government Body | <input type="checkbox"/> Non-Government Organization |                                |
| <input type="checkbox"/> Defense Establishment         | <input type="checkbox"/> BOI             | <input type="checkbox"/> Society         | <input type="checkbox"/> LLP                         |                                |
| <input type="checkbox"/> Others (please specify) _____ |  |  |  |                                |

## ADDRESS DETAILS

Address for correspondence

City/town/village Pin No.

State Country

Tel No. (off.) Tel No. (Resi.)

Mobile Fax No.

Email

Specify the proof of address submitted for correspondence address: \_\_\_\_\_

Registered Address (if different from above):

City/town/village Pin No.

State Country

Tel No. (off.) Tel No. (Resi.)

Mobile Fax No.

Email

Specify the proof of address submitted for Registered address: \_\_\_\_\_

## OTHER DETAILS

**Gross Annual Income Details (please specify):** Income Range per annum:

☐ < Rs.1 Lac

☐ Rs.1 to 5 Lacs

☐ Rs.5 to 10 Lacs

☐ Rs.10 to 25 Lacs

☐ 25 Lacs-1 crore

☐ > 1 crore

**Net-worth as on** \_\_\_\_\_ Rs. \_\_\_\_\_ (\_\_\_\_\_  
(Date)

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

**Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:**

☐ Politically Exposed Person (PEP)

☐ Related to a Politically Exposed Person (PEP)

**Any other information:** \_\_\_\_\_

## DECLARATION

We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it.

Name \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorised Signatory



\_\_\_\_\_  
Place

Date : \_\_\_\_\_  
D D M M Y Y Y Y

\_\_\_\_\_  
Signature of Authorised Signatory



\_\_\_\_\_  
Place

Date : \_\_\_\_\_  
D D M M Y Y Y Y

\_\_\_\_\_  
Signature of Authorised Signatory



\_\_\_\_\_  
Place

Date : \_\_\_\_\_  
D D M M Y Y Y Y

## FOR OFFICE USE ONLY

☐ (Originals verified) True copies of documents received

☐ (Self-Attested) Self Certified Document copies received

( \_\_\_\_\_ )  
Signature of the Authorised Signatory

Date \_\_\_\_\_

Seal/Stamp of the stock broker

**PROMOTERS/PARTNERS/KARTA/TRUSTEES/WHOLE TIME DIRECTORS/  
AUTHORISED SIGNATORIES DETAILS**

**Name**     
(First Name) (Middle Name) (Last Name)

**Designation**

**Name of Father/  
Husband**     
(First Name) (Middle Name) (Last Name)

**Date of Birth**  **Sex :** ☐ Male ☐ Female **Marital Status :** ☐ Single ☐ Married  
D D M M Y Y Y Y

**Nationality**  **PAN**

**DIN/UID**

**Please tick, if applicable,**

☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

**Status** ☐ Resident Indian ☐ Non-Resident Indian ☐ Others (Specify)

**Home Address**   
  
**City**  **Pin No.**   
**State**  **Country**   
**Tel No.**  **Mobile**   
**Fax No.**  **Email**

**No. of years  
of service in  
Company/Firm**  **Equity Stake in the Company**

**Identity Details**

**Bank Account Particulars (Not applicable to Limited Companies)**

**A/c. No.**   
**Bank Name**   
**Branch  
Address**

**Signature :**   ④

**Name :**

**Date :**

**Place :**

**(Please affix  
Photograph and  
Sign across)**

 ⑤

**Name**

(First Name)	(Middle Name)	(Last Name)
--------------	---------------	-------------

Name of Father/  
Husband

(First Name) (Middle Name) (Last Name)

Nationality									PAN								
-------------	--	--	--	--	--	--	--	--	-----	--	--	--	--	--	--	--	--





Name \_\_\_\_\_  
                    (First Name)                          (Middle Name)                          (Last Name)

Name of Father/  
Husband

(First Name) (Middle Name) (Last Name)

Nationality									PAN								
-------------	--	--	--	--	--	--	--	--	-----	--	--	--	--	--	--	--	--

☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

Fax No. \_\_\_\_\_ Email \_\_\_\_\_

**No. of years  
of service in  
Company/Firm**

**Equity Stake in the Company**

## Identity Details

[illegible]

Place :



## INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

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

### B. PROOF OF IDENTITY (POI): - List of documents admissible as Proof of Identity (any one)

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

**C. PROOF OF ADDRESS (POA):** - List of documents admissible as Proof of Address:

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

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

**D. Exemptions/clarifications to PAN**

*(\*Sufficient documentary evidence in support of such claims to be collected.)*

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

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

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

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

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

<b>Foreign Institutional Investors (FII)</b> <b>Army/ Government Bodies</b>	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate.</li> <li>• Authorized signatories list with specimen signatures.</li> <li>• Self-certification on letterhead.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Registered Society</b>	<ul style="list-style-type: none"> <li>• Copy of Registration Certificate under Societies Registration Act.</li> <li>• List of Managing Committee members.</li> <li>• Committee resolution for persons authorised to act as authorised signatories with specimen signatures.</li> <li>• True copy of Society Rules and Bye Laws certified by the Chairman/ Secretary.</li> </ul>



### TRADING ACCOUNT RELATED DETAILS

**BANK ACCOUNT(S) DETAILS (1)** ☐ Savings ☐ Current ☐ Others-In case of NRI/NRE/NRO \_\_\_\_\_

Bank Name & Branch : \_\_\_\_\_

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

Account No. : \_\_\_\_\_ Date of A/c Opening \_\_\_\_\_

MICR Number : \_\_\_\_\_ IFSC code \_\_\_\_\_

**BANK ACCOUNT(S) DETAILS (2)** ☐ Savings ☐ Current ☐ Others-In case of NRI/NRE/NRO \_\_\_\_\_

Bank Name & Branch : \_\_\_\_\_

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

Account No. : \_\_\_\_\_ Date of A/c Opening \_\_\_\_\_

MICR Number : \_\_\_\_\_ IFSC code \_\_\_\_\_

**DEPOSITORY ACCOUNT (1)** ☐ NSDL ☐ CDSL

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

Beneficiary ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

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

**DEPOSITORY ACCOUNT (2)** ☐ NSDL ☐ CDSL

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

Beneficiary ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

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

### TRADING PREFERENCES

\*Please sign in the relevant boxes where you wish to trade. Please strike off the segment not chosen by you.

Exchanges	Segments	
	EQUITY CASH	EQUITY DERIVATIVES
NSE		
BSE		
If you do not wish to trade in any of segments / Mutual Fund, please mention here _____.		

# If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter to be given by the client.

### PAST ACTIONS

Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent during the last 3 years:

\_\_\_\_\_  
\_\_\_\_\_

## DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS

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

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

**SEBI Registration No. : NSE/BSE**

**NSE** \_\_\_\_\_

**BSE** \_\_\_\_\_

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

**Tel No.** \_\_\_\_\_ **Fax No.** \_\_\_\_\_

**Mobile** \_\_\_\_\_ **Website** \_\_\_\_\_

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

**Name of stock broker** \_\_\_\_\_

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

**Client Code** \_\_\_\_\_ **Exchange** \_\_\_\_\_

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

## ADDITIONAL DETAILS

Whether you wish to receive physical contract note or

Electronic Contract Note (ECN) (please specify): \_\_\_\_\_

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

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

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

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

Any other information: \_\_\_\_\_

## INTRODUCER DETAILS

**Name of the Introducer**     
(Last Name) (Name) (Middle Name)

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

**Address & Phone No. of the Introducer**   
  
Tel No.  Fax No.

**Signature of the Introducer:**  

## DECLARATION


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

 14   
Signature of Authorised Signatory(ies) Place

Date :          
D D M M Y Y Y Y

 15   
Signature of Authorised Signatory(ies) Place

Date :          
D D M M Y Y Y Y

 16   
Signature of Authorised Signatory(ies) Place

Date :          
D D M M Y Y Y Y



**FOR OFFICE USE ONLY**

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

	<b>Documents verified with Originals</b>	<b>Client Interviewed By</b>	<b>In-Person Verification done by</b>
<b>Name of the Employee</b>			
<b>Employee Code</b>			
<b>Designation of the employee</b>			
<b>Date</b>			
<b>Signature</b>			
<b>Seal / Stamp of the stock broker</b>			

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


 \_\_\_\_\_  
 Signature of the Authorised Signatory

Date \_\_\_\_\_

Seal / Stamp of the stock broker

**INSTRUCTIONS/ CHECK LIST**

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

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

2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.
3. Demat master or recent holding statement issued by DP bearing name of the client.
4. For non-individuals:
  - a. Form need to be initialized by all the authorized signatories.
  - b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.

## **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 own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued 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 co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

#### **TERMINATION OF RELATIONSHIP**

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

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

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

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.

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

#### **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued 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 whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

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

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

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

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

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

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

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

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

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

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

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



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

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

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

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

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

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

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

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

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

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

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

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

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

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

### **1.7 System Risk:**

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

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

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

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

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

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

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

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

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

- A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

## **2.2 Currency specific risks:**

- 1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- 2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
- 3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

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

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

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

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

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

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

## **4. GENERAL**

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

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

### **BEFORE YOU BEGIN TO TRADE**

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

### **TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.

- b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

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

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

#### **DISPUTES/ COMPLAINTS**

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



## POLICIES & PROCEDURE

### a) Policy for Penny Stock

Penny stocks are stocks that trade at relatively low price and market capitalization and are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure.

Usually Company does not allow a client to trade in penny stock. On client request, trade can be allowed but against payment in advance for buy of shares and against transfer of securities to our DP/Pool account for sale of shares. Since penny stocks have very low liquidity and thin volume, we do not take any responsibility for trades done by client in penny stock. In case any query is raised by BSE/NSE/SEBI the requisite information will be provided to BSE/NSE/SEBI and in case any penalty is levied for whatsoever reason such penalty will be debited to clients' ledger account.

Depend on the market condition and RMS policy of the company, RMS reserve the right to refuse to provide the limit in Penny stocks.

### b) Setting up client's exposure limits

The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the stock broker, or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their risk perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selecting Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

**c) Applicable brokerage rate**

Brokerage will be charged within the limits prescribed by SEBI/Exchange.

**d) Imposition of penalty / delayed payment charges**

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their payin/margin obligation on time as per the exchange requirement/schedule at the rate of 2% per month. The client agrees that the stock broker may impose fines / penalties for any orders / trades/ deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals/ actions of the client, the same shall be borne by the client.

**e) The right to sell client's securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues**

Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the clients position without giving notice to the client for non payment of margins or other amounts including the pay in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, liabilities/ obligations. The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations/ closing out shall be charged to & born by the client. In cases of securities lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other purpose the benefit of shares due to received under Bonus, Stock split, Right issue etc will be given when the shares is actually received in the stock broker designated demat account. In case the payment of the margin / security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit / credit for the same only on the realization of the funds from the said bank instrument etc, at the absolute discretion of the stock broker.

Where the margin / security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

**f) Shortages in obligations arising out of internal netting of trades**

Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation / clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first.



The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a) The Short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Payin/Payout Day. The securities delivered short are purchased from market on T+2 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- b) If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+2 day or Auction day on Exchange +10% where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.

g) **Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client**

Incase where the deposit amount is fully utilized against the position taken by the client then the new position will not be allowed till further deposit of margin amount. Further we close the position if MTM amount exceeds the available 80% of the margin amount with the intimation to the client and/or subbroker by way of telephone call or email/messenger.

h) **Temporarily suspending or closing a client's account at the client's request**

On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ ledger balance settlement can take place.

i) **Deregistering a client**

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- (i) If the action of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the client under any law in force;
- (iii) On the death/lunacy or other disability of the Client;
- (iv) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker;
- (vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- (vii) If the Client is in breach of any term, condition or covenant of this Agreement;
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
- (viii) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (ix) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (x) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (xi) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

Inactive Client account: -Client account will be considered as inactive if the client does not trade for period of one year. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/ credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

## AUTHORITY LETTER FOR RUNNING ACCOUNT

To

**First Global Stockbroking Pvt. Ltd.**

Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

Dear Sir/Madam,

**Sub: Authority Letter for Running Account (Client Code \_\_\_\_\_ )**

We hereby state that we are aware of the norms relating to Pay-in & Pay-out of Funds and Securities. In order to facilitate operations and banking convenience, we hereby authorize First Global Stockbroking Pvt. Ltd., to maintain a running account with you, instead of daily settlement of Funds / Securities due to us.

Further, the Pay-out of Funds/Securities may be retained by you and we agree not to claim any interest from you on such securities/funds so retained by you. The Funds/Securities so retained shall be available to you for exposure/margin purpose for us. We further agree that you shall not be liable for any claim for loss or profit or for any consequential, incidental, special or exemplary damages, caused by retention of such Funds/Securities in this regard. On written request by us, you may release the Funds/Securities to us, if sufficient margins in respect of our trading account across all segments of the stock exchanges are available.

We request you to settle our fund and securities account once in (✓ tick any one)

☐ every calendar Quarter      or      ☐ every calendar month

or such other higher period as allowed by SEBI/Stock Exchange from time to time, except the funds given towards collaterals/margin in the form of Bank Guarantee and/or Fixed Deposit Receipt.

Such settlement will be done by First Global Stockbroking Pvt.Ltd. on any day at its discretion in a calendar quarter or month (hereinafter referred as settlement period) as the case may be. If our account turns into debit on any day during the settlement period, the same may be treated as settlement of funds for that settlement period and First Global Stockbroking Pvt.Ltd will not be required to settle the credit if any arising subsequently during the settlement period. We agree that we shall be liable to pay the debit standing to our account on the settlement date or any other date.

In case we have an outstanding obligation on the settlement date, you may retain the requisite funds/securities towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges.

We confirm you that we will bring to your notice any dispute arising from the statement of account or settlement so made in writing within 7 working days from the date of receipt of funds/securities or statement of account or statement related to it, as the case may be, at your retail head office. After that we shall have no right to dispute the transaction, funds and/or securities ever and agree that you shall not be liable for any incidental loss/damage caused due to retention of funds and/or securities.

Further, we authorize First Global Stockbroking Pvt.Ltd to maintain a minimum sum of Rs. 500/- at all point of time towards demat charges and/or for other services, till the time our account with you is in active status.

We understand that We may revoke this Authority at any point of time by giving a notice in writing to you. However, the revocation shall be effective prospectively from the date of its receipt and shall not effect the rights of the broker to take necessary actions under this authorisation with respect to the outstanding obligations of already executed transaction till the date of receipt of the revocation intimation.

Thanking you,

Yours truly,

Signature : \_\_\_\_\_  17

Constituent's Name : \_\_\_\_\_

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

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

Notes : 1. This authorization shall be signed by the authorized signatory of the client only and not by any authorized person on their behalf or any holder of power of attorney.



## AUTHORITY LETTER FOR SQUARING OFF OUTSTANDING POSITION

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

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

Dear Sirs,

Please refer to the trading account opened with you in the name of \_\_\_\_\_  
for the purpose of dealing in cash / capital market and derivative segments of the exchanges.

In case of default in payment of daily margin or failure to fulfill in time any additional margin requirements stipulated by you (even though not imposed by the exchange(s) / the clearing corporation/ clearing house) or if any outstanding debt occurs in our account, we hereby irrevocably authorize you to close out / liquidate whole or any part of our position without prejudice to your right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation, closing out etc. shall be charged to and borne by us.

Yours truly,



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

Authorised Signatory's Name : \_\_\_\_\_

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

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

Stamp / Seal of the non-individual client

## UNDERTAKING CUM AUTHORITY LETTER

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

Ref: Client Code : \_\_\_\_\_

Dear Sir/Madam,

We are dealing in securities with M/s First Global Stockbroking Pvt. Ltd. at National Stock Exchange of India Limited/Bombay Stock Exchange Limited ('Exchange') and in order to facilitate ease of operation, we undertake and authorize you as under:

1. We authorise you to setoff outstanding in any of our accounts against credits available or arising in any other accounts maintained with you irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange or in any other exchanges and/or against the value of cash margin or collateral shares provided to you by us.
2. We hereby authorize you not to provide us Order confirmation / Modification/Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. We shall get the required details from contract notes issued by you.
3. We hereby authorize you to keep all the securities which we give you in margin including the payout of securities received by us, for meeting margin / other obligation in stock exchange in whatever manner which may include pledging of shares in favour of bank and / or taking loan against the same for meeting margin/ pay - in obligation on our behalf or for giving the same as margin to the Stock Exchange or otherwise.
4. We hereby authorise you to retain credit balance in any of our account and to use the idle funds towards our margin/future obligations at any or both the Exchanges unless we instruct you otherwise. We also authorize you to debit the necessary demat charges from time to time, for keeping the shares in your client demat beneficiary account on our behalf. We also authorize you to debit delayed payment charges upto 24% p.a. for the debit balances if any, in our account and not settled as per the exchange requirements.
5. We request you to retain securities in your Demat account for our margin/future obligations at all Exchanges, unless we instruct you to transfer the same to our account.
6. We request you to consider our telephonic instructions for order placing/order modification/order cancellation as a written instruction and give us all the confirmation on telephone unless instructed otherwise in writing. We will get required details from contracts issued by you.
7. Trading of all Exchanges is in electronic mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. We understand that 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 your control and may result in delay in processing or not processing buy or sell orders either in part or in full. We agree that We shall be fully liable and responsible for any such problems/fault. We understand that the member reserves the rights of refusing to execute any particular transaction.
8. We confirm that we will never sublet the trading terminal on any term of connectivity, from our place to any other place without your prior approval.
9. We are agreeable for inter-settlement transfer of securities towards settlements.
10. We are agreeable for & authorize you to with-hold funds pay-out towards all the applicable margins and debits.
11. All fines/penalties and charges levied upon you due to our acts/deeds or transactions may be recovered by you from our account.

Thanking You.

Yours Faithfully

Signature : \_\_\_\_\_  (19)

Constituent's Name : \_\_\_\_\_

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

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

## REGISTRATION FORM FOR INVESTMENT ADVICE

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square,  
Plot No. 38/39,  
Sector 19A, Vashi,  
Navi Mumbai - 400 703.

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

Dear Sir/Madam,

We are an existing/prospective customer of First Global Stockbroking Pvt. Ltd. for Equity Broking (Cash and F & O segment). We are aware that First Global is engaged in quality fundamental as well as technical research in equities.

We are also aware that on a specific request of the existing/prospective client, First Global is providing buy/sell/hold advice in specific stocks based on their quality research and analysis.

We are an existing/prospective investor and We are desirous of getting First Global investment and trading advice for the purpose of making investment and trading decisions.

We are request you to please include our name in your list of subscribers for getting investment and trading advice on a regular basis either through SMS, Email, online messaging, chat or any other mode of disseminating investment and trading advice.

We are hereby confirm that We have been made aware by the First Global Group that:

1. The investment in equity shares, derivatives, or other instruments traded on the stock exchanges have varying element of risk and may not be an appropriate avenue for someone of limited resource/limited investment and/or trading experience and low risk tolerance.
2. The Information and opinions expressed in First Global's investment and trading advice (disseminated through Research reports/sms/internet chat, or any other medium) are prepared/expressed by First Global . on the basis of information and data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. However, such information has not been verified by First Global, and they do not make any representations as to its accuracy or completeness. Any statements nonfactual in nature constitute only current opinions, which are subject to change. First Global does not undertake to advise you of changes in its opinions or information.
3. First Global and others associated with it may make markets or specialize in, have positions in and effect transactions in securities of companies mentioned and may also perform or seek to perform investment banking services for those companies.
4. Whilst all reasonable care has been taken to ensure that the facts stated and the opinions and advice given are fair, neither First Global Securities Ltd, nor First Global Stockbroking Pvt. Ltd. nor any of their affiliates shall be in any way responsible for its contents, nor do they accept any liability for any loss or damage (including without limitation loss of profit) which may arise directly or indirectly from use of or reliance on such information or advice or opinion.
5. First Global (or any of its affiliates or subsidiaries) or their officers, directors, analysts, employees, agents, independent contractors, or consultants may have positions in securities or commodities referred to in the research reports or in the investment advice and may, as principal or agent, buy and sell such securities or commodities. An employee, analyst, officer, agent, independent contractor, a director, or a consultant of First Global, its affiliates, or its subsidiaries may serve as a director for companies mentioned in the research reports or about whose shares, the investment advice/opinion is given.
6. First Global and its affiliates may, to the extent permitted under applicable law, have acted upon or used the information prior to or immediately following its publication, provided that we could not reasonably expect any such action to have a material effect on the price.

7. The research reports are based on information available to the public. No representation is made that it is accurate or complete. The research reports are not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned therein.
8. The Investments discussed in the research reports or recommended in the investment and trading advice may not be suitable for all investors. Investor must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary.
9. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment. There may be instances when fundamental, technical, and quantitative opinions may not be in concert.
10. Past performance is not necessarily a guide to future performance. Income from investments may fluctuate. The price or value of the investment to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.
11. There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example economic, political, currency exchange rate fluctuations, and limited availability of information on international securities.
12. The value of investments and the income from them may vary and the investor may realize less than the sum invested. Part of the capital invested may be used to pay that income. In the case of higher volatility investments, these may be subject to sudden and large falls in value and investor may incur a large loss even equal to the amount invested. Some investments are not readily realizable and investor may have difficulty in selling or realizing the investment or obtaining reliable information on the value or risks associated with the investment.
13. The tax treatment of some of the investments mentioned in the research reports or in the investment advice may change with future legislation. The investment or investment advice may not be suitable for all investors and any doubts regarding this should be addressed by the investor to his broker.
14. Whilst all reasonable care will be taken to ensure that the advice dissemination systems like mail, SMS, website messaging etc are properly protected from hacking, tempering etc, neither First Global Securities Ltd, nor First Global Stockbroking Pvt. Ltd. nor any of their affiliates can in any way be held responsible for any such hacked or tempered dissemination of information or advice through any kind of technological frauds nor do they accept any liability for any loss or damage (including without limitation loss of profit) which may arise directly or indirectly from use of or reliance on such tempered information or advice or opinion.
15. The research reports or the investment advice may not be reproduced, resold or redistributed without the prior written consent of First Global.

We hereby confirm that we have read, understood and accepted the above disclaimers from the First Global group and will not hold First Global Group or its affiliates, Directors, employees and others liable for any losses that may be incurred by us due to or as a result of acting on the research reports or the investment and trading advice disseminated by them.

Signature : \_\_\_\_\_  (20)

Authorised Signatory's Name : \_\_\_\_\_ Mobile Number : \_\_\_\_\_

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

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

Stamp / Seal of the non-individual client



## SHARING OF DATA AND INFORMATION

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No.38/39, 2nd Floor,  
Sector No-19/A, Vashi, Navi Mumbai-400703

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

Dear Sir/Madam,

We are holding a trading account No \_\_\_\_\_ with First Global Stockbroking Pvt Ltd. We are availing the various financial products/facility offered by the various business divisions of First Global Stockbroking Pvt Ltd. We are aware that while availing such products/facilities, First Global Stockbroking Pvt Ltd is mandated to obtain information about us and our transaction.

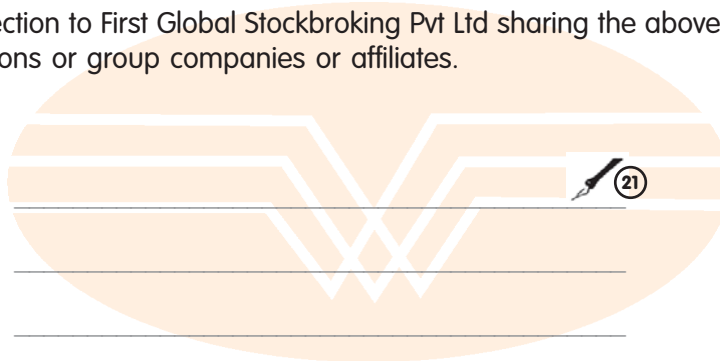
In view of the above, we hereby authorize First Global Stockbroking Pvt Ltd to share the following information/ documents/data, about us and our transactions, to other business divisions of First Global Stockbroking Pvt Ltd or its affiliates/group companies which is offering the products/facilities availed by us.

1. Information provided by us in the Know Your Client (KYC) 2. Our holdings in stocks 3. Ledger balances in our trading for both BSE and NSE

We would have no objection to First Global Stockbroking Pvt Ltd sharing the above information, about us to its other business divisions or group companies or affiliates.

Yours Faithfully,

Signature : \_\_\_\_\_  
Constituent's Name : \_\_\_\_\_  
Date : \_\_\_\_\_  
Place : \_\_\_\_\_





## AUTHORITY LETTER FOR RECEIVING ELECTRONIC STATEMENTS

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

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

Dear Sir/Madam,

We agree to receive contract notes, bills, ledgers, transaction statement (statement of funds/securities) etc. in electronic form for all trades / transactions executed through you on our designated e-mail address of \_\_\_\_\_, as per the below mentioned terms and conditions:

1. Our non-verification or non-accessing of the contract notes on regular basis shall not be a reason for disputing the contract note at any time.
2. We confirm that contract notes, bills, ledgers etc. sent by you from time to time to our email id shall be deemed to have been delivered to us and it shall be presumed that the same is in order unless any discrepancies are given in writing to M/s. First Global Stockbroking Pvt. Ltd. within 24 hours of receipt of the same. Non-receipt of bounced mail notification by the member shall amount to delivery of the contract note at the e-mail ID(s) registered with you.  
In case of any failure in system at your end, contract notes, bills, ledgers, transaction statement (statement of funds/securities) etc. will be issued in physical form and sent to our correspondence address, which shall be binding on us.
3. We hereby state that the handing over of the said contract(s) / bill(s) / confirmation notes or any communication in respect of our transactions relating to our trading account with M/s. First Global Stockbroking Pvt. Ltd. to any of the email addresses or to the communication address as registered with you, shall be treated as due discharge of obligation of the member under the Rules and Regulations and bye-laws of SEBI and the stock exchange(s). We hereby confirm that any change in e-mail id will be communicated through physical letter only.
4. We will completely rely on the log reports of your dispatching software as a conclusive proof of dispatch of e-mail to us and will not dispute the same.

Thanking You.

Yours Faithfully

Signature : \_\_\_\_\_  (22)

Constituent's Name : \_\_\_\_\_

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

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

Notes : This authorization shall be signed by the authorized signatory of the client only and not by any authorized person on their behalf or any holder of power of attorney.

## CLIENT DEFAULTER DECLARATION

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

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

Dear Sir/Madam,

We, \_\_\_\_\_ having PAN no. \_\_\_\_\_  
do hereby declare that we have not been involved in any terrorist activity and we have not been declared  
as defaulter or our name is not appearing in defaulter database as per SEBI/Various Exchanges/  
Regulatory bodies/ CIBIL (Credit Information Bureau of India Ltd) etc.

We further declare that the above mentioned declaration/statement is true and correct.

Thanking You.

Yours Faithfully

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

Constituent's Name : \_\_\_\_\_

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

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

Notes : This authorization shall be signed by the authorized signatory of the client only and not by any  
authorized person on their behalf or any holder of power of attorney.

## FORMAT OF DECLARATION BY SOLE PROPRIETORSHIP FIRM

### ON LETTERHEAD OF SOLE PROPRIETOR

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

Dear Sirs,

We refer to the trading account opened with you in the name of \_\_\_\_\_  
\_\_\_\_\_ and declare and authorize you as under :

We recognise that a beneficiary account cannot be opened with a depository participant in the name of a sole proprietorship firm as per regulations. To facilitate the operation of the above trading account with you and for the purpose of completing the delivery / collateral / margin obligations pursuant to the trading operations, We authorise you to recognise the beneficiary Account No. \_\_\_\_\_, DP ID \_\_\_\_\_ with depository \_\_\_\_\_ opened in the name of the undersigned who is the sole proprietor of the firm.

We agree that all the aforesaid obligations of the firm will be handled and completed through transfer to / from the above mentioned account. We recognize and accept transfers made by you to the beneficiary account as complete discharge of obligations by you in respect of trades executed in the above trading account of the firm.

Signature (Please sign with stamp of the firm)

**Further I the undersigned am the sole proprietor of the firm and am solely responsible for the liabilities there of. I shall advise you in writing of any change that takes place in the constitution of the firm and I will be personally liable to you for all the obligation that the firm may incur in the course of dealings with you and undertake to personally discharge such liabilities.**

Yours truly,

Signature (Please sign without stamp of the firm)

## FORMAT OF DECLARATION BY PARTNERSHIP FIRM

### ON LETTERHEAD OF FIRM

To,  
**First Global Stockbroking Pvt. Ltd.**  
Ratnam Square, Plot No 38/39,  
Sector-19A, Vashi,  
Navi Mumbai - 400 703.

Dear Sirs,

I/We refer to the trading account opened with you in the name of \_\_\_\_\_ and declare and authorize you as under.

I/We recognize that a beneficiary account cannot be opened with a depository participant in the name of a Partnership firm as per Regulations. To facilitate the operation of the above trading account with you and for the purpose of completing the delivery / collateral / margin obligations pursuant to the trading operations, I/We authorize you to recognize the beneficiary Account No. \_\_\_\_\_ DP ID \_\_\_\_\_ with depository \_\_\_\_\_ opened as a joint account in the names of the partners of the firm.

I/We agree that all the aforesaid obligations of the firm will be handled and completed through transfers to / from the above mentioned account. We recognise and accept transfers made by you to the beneficiary account as complete discharge of obligations by you in respect of trades executed in the above trading account of the firm.

I/We hereby authorize \_\_\_\_\_, partner in the firm to execute / sign and submit such documents, agreements, deeds etc. as may be necessary to enter in to the agreement and engage in business with First Global Stockbroking Pvt. Ltd. and to sell, purchase, transfer endorse, negotiate and do all other things that may be necessary to engage in business on behalf of the partnership firm and to sign the authority letter for adjustment of balances in family accounts.

To be signed by all Partners of the Firm.

Name of Partners (in block letters)	Signatures

## FORMAT OF BOARD RESOLUTION IN CASE OF CORPORATES / TRUSTS

### ON LETTERHEAD OF COMPANY

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS / TRUSTEES/OF \_\_\_\_\_ Ltd. / TRUST AND  
HAVING ITS REGISTERED

OFFICE AT \_\_\_\_\_ HELD ON \_\_\_\_\_ DAY  
OF \_\_\_\_\_ 20 \_\_\_\_\_ AT \_\_\_\_\_ A.M./P.M.

"RESOLVED THAT the Company / Trust be registered as CLIENT with First Global Stockbroking Pvt. Ltd. MEMBER of the NSE / BSE for the purpose of dealing in equities and derivatives and the said MEMBER be and is hereby authorised to honour instruction (oral or written) given on behalf of the Company / Trust by any of the under noted authorised signatories,

Sr. No.	Name	Designation
---------	------	-------------

1.

2.

3.

who are authorised to sell, purchase, endorse negotiate and / or otherwise deal through First Global Stockbroking Pvt. Ltd. on behalf of the Company."

"RESOLVED FURTHER THAT Mr./Ms. \_\_\_\_\_ and / or  
Mr./Ms. \_\_\_\_\_, Directors / Trustees of the  
Company / Trust be and are hereby authorised to sign, execute and submit such applications,  
undertakings, agreements and other requisite documents writings and deeds as may be deemed  
necessary or expedient to give effect to this resolution."

"AND RESOLVED FURTHER THAT, the Common Seal of the Company be affixed, wherever necessary, in  
the presence of any 2 Directors or any one director and Company Secretary, who shall sign the same  
in token of their presence."

For \_\_\_\_\_

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

Chairman / Company Secretary/ All Trustees

The above signature should to be attested by the person signing the resolution for account opening on  
behalf of the Company / Trust.

## TARRIFF SHEET

Sr. No.	Brokerage	Cash		Derivatives	
		Delivery	Intraday	Futures	Options
1	Brokerage %				NA
2	Minimum Brokerage (Rs. Per share)				NA
3	Brokerage on options (Rs. Per Lot)	NA	NA	NA	
4.	Minimum Per Contract Note (Rs.) Please refer note 1 mentioned below	25		25	

**Note 1 :** In case brokerage calculated as per either point 1 and /or point 2 and /or point 3 is less than Rs.25/- per contract then in that case a minimum amount of Rs.25/- will be charged. (for eg : if the brokerage as per point 1 and /or point 2 and /or point 3 comes to Rs. 12/- then an amount of Rs. 13/- will be charged as processing fees and total will be Rs. 25/- per contract note)

**Note 2 :** The above rates are exclusive of transaction charge, Stamp Duty, Securities Transaction Tax and Service Tax which will be charged extra at the rate prevailing from time to time.



Signature : \_\_\_\_\_  (24)

Constituent's Name : \_\_\_\_\_

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

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

**FOR OFFICE USE ONLY (HEAD OFFICE)**

	<b>Name &amp; Designation</b>	<b>Date</b>	<b>Signature</b>
Received and Verified by			
Documents Verified and entered at HO by			
Documents Verified and Authorised by			

<b>Remarks</b>		<b>File No.</b>	

<b>U.C.C</b>	<b>Date</b>	<b>Name</b>	<b>Sign</b>
<b>NSE</b>			
<b>BSE</b>			

# FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

## FATCA-CRS Declaration & Supplementary KYC Information Declaration Form for Entities

Please seek appropriate advice from your professional tax professional on your tax residency and related FATCA & CRS guidance

Part – A										
PAN										
Name										
Address Type [for KYC address]		<input type="checkbox"/> Residential		<input type="checkbox"/> Residential / Business						
		<input type="checkbox"/> Business		<input type="checkbox"/> Registered Office						
Place of Incorporation					Country of Incorporation					
Gross Annual Income Details in INR		<input type="checkbox"/> < 1 Lakh		<input type="checkbox"/> 1-5 Lacs		Net Worth in INR in Lacs				
		<input type="checkbox"/> 5-10 Lacs		<input type="checkbox"/> 10-25 Lacs						
		<input type="checkbox"/> 25 Lacs-1 Cr		<input type="checkbox"/> > 1 Cr		Net Worth as of		dd/mm/yy		
Is the entity involved in / providing any of the following services:		<input type="checkbox"/> Foreign Exchange / Money Changer Services		<input type="checkbox"/> Gaming / Gambling / Lottery Services [e.g. casinos, betting syndicates]		<input type="checkbox"/> Money Laundering / Pawning		Any other information [if applicable]		
								[Please specify]		

Is your [Entity] Country of Tax Residency other than India - ☐ Yes ☐ No

If „Yes“, please specify the details of all countries where you [Entity] hold tax residency and its Tax Identification Number & type

S No	Country of Tax Residency	Tax Payer Identification Number/ Functional Equivalent / Company Identification Number or Global Entity Identification Number	Identification Type [TIN or other, please specify]
1			
2			
3			

In case the Entity's Country of Incorporation / Tax Residence is US but Entity is not a Specified US person, mention Entity's exemption code here \_\_\_\_\_ (Refer Instructions o)



# FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

## Part B [to be filled by Financial Institutions or Direct Reporting NFFEs]

We are a

☐ Financial Institution / FFI [refer instructions a.]

☐ Direct Reporting NFFE [refer instructions b.]

**GIIN** (Global Intermediary Identification Number):

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**Note:** If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN above and indicate your sponsor's name below

**Name of the sponsoring entity**

**GIIN not available** [tick any one]:

☐ Applied For

☐ Not required to apply for - specify sub-category code  [refer instructions c.]

☐ Not obtained - Non-participating FFI

## Part C [Fill any one as applicable - to be filled by NFEs other than Direct Reporting NFFEs]

1	Is the entity is a listed company [whose shares are regularly traded on a recognized stock exchange] [refer instructions d.]	<p>Yes <input type="checkbox"/> (Please specify the name of the Stock Exchange(s) where it is traded regularly)</p> <p>1. _____</p> <p>2. _____</p>
2	Is the entity a „Related Entity“ of a listed company [whose shares are regularly traded on a recognized stock exchange] [refer instructions e.]	<p>Yes <input type="checkbox"/> (Please specify the name of the listed company, name of the Stock Exchange(s) where it is traded regularly)</p> <p>Name of the listed company: _____</p> <p>Name of the Stock Exchange: _____</p>
3	Is the entity an Active NFE?	<p>Yes - Nature of business _____</p> <p>Please specify sub-category of Active NFE <input type="text"/> [refer instructions g.]</p>
4	If the entity a Passive NFE: [refer instructions h.]	<p>Yes - Nature of business _____</p> <p>Also submit UBO Form [provided separately]</p>

FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

Declaration:

I/We acknowledge and confirm that the information provided above is true and correct to the best of my/our knowledge and belief. In case any of the above specified information is found to be false or untrue or misleading or misrepresenting, I/We am/are aware that I/We may liable for it. I/We hereby authorize you First Global to disclose, share, rely, remit in any form, mode or manner, all / any of the information provided by me, including all changes, updates to such information as and when provided by me to / any of the Mutual Fund, its Sponsor, Asset Management Company, trustees, their employees / RTAs ('the Authorized Parties') or any Indian or foreign governmental or statutory or judicial authorities / agencies including but not limited to the Financial Intelligence Unit-India (FIU-IND), the tax / revenue authorities in India or outside India wherever it is legally required and other investigation agencies without any obligation of advising me/us of the same. Further, I/We authorize to share the given information to other SEBI Registered Intermediaries /or any regulated intermediaries registered with SEBI / RBI / IRDA / PFRDA to facilitate single submission / update & for other relevant purposes. I/We also undertake to keep you informed in writing about any changes / modification to the above information in future and also undertake to provide any other additional information as may be required at your / Fund"s end or by domestic or overseas regulators/ tax authorities. I/We authorize Fund/AMC/RTA to provide relevant information to upstream payors to enable withholding to occur and pay out any sums from my account or close or suspend my account(s) without any obligation of advising me of the same

Signature with relevant seal:

<div><div>✕</div><div>Authorized Signatory</div></div>	<div>Authorized Signatory</div>	<div>Authorized Signatory</div>
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Date:

Place:

# FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

## Instructions for FATCA & CRS Declaration

- a. Financial Institution / Foreign Financial Institution [FFI] – Means any non-US financial institutions that is a – (1) Depository institution - *accepts deposits in the ordinary course of banking or similar business*; (2) Custodian institution - *as a substantial portion of its business, hold financial assets for the accounts of others*; (3) Investment entity – *conducts a business or operates for or on behalf of a customer for any of the activities like trading in money market instruments, foreign exchange, foreign currency, etc. or individual or collective portfolio management or investing, administering or managing funds, money or financial assets on behalf of other persons; or an entity managed by this type of entity*; or (4) Insurance company – *entity issuing insurance products i.e. life insurance*; (5) Holding or Treasury company – *entity that is part of an expanded affiliate group that includes a depository, custodian, specified insurance company or investment entity*
- b. Direct Reporting NFFE – a NFFE that elects to report information about its direct or indirect substantial U.S. owners to the IRS
- c. GIIIN not required category:

Code	Sub-Category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors and Investment Managers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts
12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner Documented FFI

- d. Listed Company - A company is publicly traded if its stock are regularly traded on one or more *established securities markets* (*Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange*)
- e. Related Entity - an entity is a “Related Entity” of another entity if one controls the other, or the two entities are under common control (where control means direct or indirect ownership of more than 50% of the vote or value in an entity)
- f. Non-financial foreign entity [NFFE] – Non-US entity that is not a financial institution [including a territory NFFE]. Following NFFEs are excluded from FATCA reporting - (a) Publicly traded corporation / listed companies; (b) Related Entity of a listed company; and (c) Active NFFE
- g. Active NFFE - Any one of the following -

Code	Sub-Category
01	Less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and < 50% of the assets held by NFE are assets that produce or are held for the production of passive income
02	The NFE is a Governmental Entity, an International Organization, a Central Bank , or an entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for NFE status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFE;
05	The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets

## FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

	or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
07	Any NFE is a 'non for profit' organization which meets all of the following requirements: <ul style="list-style-type: none"> <li>• It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labour organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</li> <li>• It is exempt from income tax in India;</li> <li>• It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> <li>• The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and</li> <li>• The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.</li> </ul>

- h. Passive NFE - means any NFE that is not (i) an Active NFFE or listed / publicly traded entity or entity related to the listed / publicly traded entity, or (ii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations or (iii) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity - (Note: Foreign persons having controlling interest in a passive NFE are liable to be reported for tax information compliance purposes)
- i. Passive Income – portion of gross income that consists of dividends, interest, rents and royalties (other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE), income equivalent to interest / amount received from pool of insurance contracts, annuities, excess of gains over losses from the sale or exchange of property / from transactions (including futures, forwards or similar transactions) in any commodities but not including (i) any commodity hedging transaction, determined by treating the entity as a controlled foreign corporation or (ii) active business gains or losses from the sale of commodities but only if substantially all the foreign entity's commodities are property, excess of foreign currency gains over losses, net income from notional principal contracts, amounts received under cash value insurance contracts, amounts earned by insurance company in connection with its reserves for insurance and annuity contracts
- j. Controlling Persons means the natural persons who exercise control over an entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
- k. Non-Participating FFIs [NPFFIs] - an FFI other than participating FFI, a deemed-complaint FFI, or an exempt beneficial owner
- l. Specified US Persons – Any US Person other than i). A publicly traded corporation; ii). A corporation that is a member of the same expanded affiliate group; iii). A tax exempt organization; iv). an individual retirement plan; v). the United States or an agency or instrumentality of the United States; vi). Any state [including District of Columbia and United States possession] or State Authorities; vii). A bank, viii). A real estate investment trust; ix). A regulated investment company; x). an entity registered with the SEC under the Investment Company Act of 1940; xi). A common trust fund; xii). A tax exempt trust; xiii). A registered dealer; xiv). A registered broker
- m. Expanded affiliated group – One or more chains of members connected through ownership (50% or more, by vote or value) by a common parent entity if the common parent entity owns stock or other equity interests meeting the requirements in atleast one of the other members
- n. Owner documented FFI – AN FFI meeting the following requirements – (a) FFI is an FFI solely because it is an investment entity; (b) FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company; (c) FFI does not maintain a financial account for any non-participating FFI; (d) FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if

## FIRST GLOBAL STOCKBROKING PRIVATE LIMITED

there is a change in the circumstances, and (e) The designated withholding agent agrees to report to the IRS (or, in case of a reporting Model 1 IGA, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any US specified persons and (2) Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a US person, an exempt beneficial owner, or an exempted NFE

o. Exemption Code for US persons

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan
N	Not Applicable