



Most Important Terms and Conditions

CLIENT REGISTRATION SEPARATE BOOKLET

Please read and retain this booklet with you.
Read the Index for Book Containing



NAME OF THE TRADING MEMBER / DEPOSITORY PARTICIPANT SPREAD X SECURITIES PVT.LTD.

SEBI Registration Number and Date of Stock broker : [INZ000310930] (January 24, 2023)
SEBI Registration Number and Date of Depository Participant : [IN-DP-766-2024] (February 22, 2024)
NSE Trading Member ID: 90309, **BSE Trading Member ID :** 6823
Depository Participant ID : 12099700

NAME OF THE CLEARING MEMBER GLOBE CAPITAL MARKET LIMITED

SEBI REGISTRATION NUMBER : [INZ000177137]
CLEARING MEMBER ID : [M50302]
CLEARING MEMBER REGISTER OFFICE ADDRESS : 609, ANSAL BHAWAN, 16, K. G. MARG, CONNAUGHT PLACE,
NEW DELHI-110 001 INDIA, PHONES : 91-11-30412345

 **Register Office :** Shilp Corporate Park, B Block, 13th Floor, B-1309,
Near Rajpath Club, Rajpath Rangoli Road, S.G. Highway, Ahmedabad-380054

 **Correspondence Address :** Shilp Corporate Park, B Block, 13th Floor, B-1309,
Near Rajpath Club, Rajpath Rangoli Road, S.G. Highway, Ahmedabad-380054

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DIRECTOR DETAILS

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For any support / query please contact Spread X Securities Private Limited at the above address or Email: support@spreadx.in & Phone No. 079 - 69072011

Our designated Email ID for grievance is: ig@spreadx.in & Phone No. : 079 - 69072010

In case not satisfied with the response, please contact the concerned exchange which ever valid for investor at :
NSE : ignse@nse.co.in or contact at **1800 266 0050** / **BSE :** isc.mumbai@bseindia.com or contact at **022-22728517**
CDSL: helpdesk@cdslindia.com or contact at **022 22728663** / **SMART ODR :** help@smartodr.in or contact at **+91-8105148710**

Instructions to Read Terms and Conditions

- Understanding the terms and conditions of your stock broker is fundamental for making informed decisions about your investments.
- The terms outline fees, commissions, and other financial aspects. Awareness of these details helps you manage your financial commitments effectively.
- Familiarize yourself with the broker's trading policies, including order execution, trading hours, and any restrictions. This knowledge is essential for a smooth trading experience.
- Stock market investments carry inherent risks. The terms and conditions provide insights into the risks associated with trading, enabling you to make investment decisions with a clear understanding.
- Ensure the broker complies with relevant financial regulations. This compliance contributes to the credibility and reliability of the broker's services.
- Brokers may update terms periodically. Regularly reviewing these updates keeps you informed about any changes that may impact your trading activities.
- The terms and conditions Document(s) a legally binding agreement. Understanding the legal aspects helps you navigate potential disputes or unforeseen circumstances.
- Your active participation in trading implies acceptance of the broker's terms and conditions. Take the time to read and comprehend these terms before engaging in any transactions.

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Separate Copy for Client. Also Available On www.Spreadx.In

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

CLIENT INFORMATION

6. 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.

7. The client shall familiarize himself with all the m a n d a t o r y 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.

8. 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.

9. 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

10. 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.

11. 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

12. 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.

13. 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.

14. The stock broker shall ensure that the m o n e y / s e c u r i t i e s 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.

15. 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).

16. The transactions executed on the Exchange are s u b j e c t 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

17. 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 servicesock 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

18. 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.

19. 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.

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

20. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.

21. 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.

22. 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.

23. 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.

24. 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

25. 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.

26. 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.

ADDITIONAL RIGHTS AND OBLIGATIONS

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

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

ELECTRONIC CONTRACT NOTES (ECN)

35. 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.

36. 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.

37. 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.

37.1 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.

37.2 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.

37.3 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

37.4 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.

37.5 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.

37.6 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.

37.7 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.

37.8 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.

38. 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.

(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.

General Clause

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars / Notifications / Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.

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

Beneficial Owner information

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

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

Fees/Charges/Tariff

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"

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

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

Dematerialization

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

Separate Accounts

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

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 2018 and Bye Laws/Operating Instructions/Business Rules of the Depositories.

Transfer of Securities

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

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

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

Statement of account

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

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

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

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

Manner of Closure of Demat account

18. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

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

Default in payment of charges

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

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

Liability of the Depository

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

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

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

Freezing/ Defreezing of accounts

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

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

Redressal of Investor grievance

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

Authorized representative

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

Law and Jurisdiction

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

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

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

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

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

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

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.

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges www.nseindia.com & www.bseindia.com and SEBI website www.sebi.gov.in.
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/ Stock exchanges.
6. Obtain a 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, 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 may maintain a 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.

6 GUIDANCE NOTE : DO'S AND DON'TS FOR THE COMMODITY CLIENTS



DONT'S FOR THE CLIENTS

- Do not deal with any unregistered intermediaries.
- Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
- Do not enter into assured returns arrangement with any Member
- Do not get carried away by luring advertisements, rumours, hot tips, explicit/ implicit promise of returns, etc.
- Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member.
- Do not start trading before reading and understanding the Risk Disclosure Agreement.
- Do not neglect to set out in writing, orders for higher value given over phone.
- Do not accept unsigned/duplicate contract note/confirmation memo.
- Do not accept contract note/confirmation memo signed by any unauthorized person.
- Don't share your internet trading account's password with anyone
- Do not delay payment/deliveries of commodities to Member.
- Do not forget to take note of risks involved in the investments.
- Do not sign blank Delivery Instruction Slips (DIS) while furnishing commodities, deposits and/or keep them with Depository Participants (DP) or member to save time.
- Do not pay brokerage in excess of that rates prescribed by the Exchange
- Don't issue cheques in the name of Authorized Person.

DO'S FOR CLIENTS

- Trade only through Registered Members of the Exchange. Check from the Exchange website at following link to see whether the Member is registered with the Exchange.
- Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading
- Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
- Insist on reading and signing a standard 'Risk Disclosure Agreement'.
- Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
- Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link <https://www.mcxindia.com/en/login> the trades can be verified online where trade information is available up to 5 working days from the trade date.
- Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
- Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
- Obtain receipt for collaterals deposited with the Member towards margins.
- Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
- Ask all relevant questions and clear your doubts with your Member before transacting.
- Insist on receiving the bills for every settlement.
- Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
- Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
- Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
- Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
- Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
- Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
- Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
- Understand and comply with accounting standards for derivatives.
- Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
- Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by SEBI/Commodity exchanges.
- •Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank/ demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/ demat account.
- The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be subject to the following conditions:
 - oa) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - ob) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.
 - oc) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.
 - od) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the commodity exchanges.
- You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives or the member becomes insolvent or bankrupt.
- Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
- In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
- Before dealing with any Investment Advisor, please check if it is registered with SEBI. To Know more about such SEBI registered Advisors, Please Click : https://www.bseasl.com/IA_Member.aspx.

Sr. No.	Guidance
01	Always deal with a SEBI registered Depository Participant for opening a demat account.
02	Read all the documents carefully before signing them
03	Before granting Power of attorney to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted. Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
04	Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders. Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s). Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque.
05	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
06	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
07	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
08	Do not share password of your online trading and demat account with anyone.
09	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
10	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
11	Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
12	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at https://scores.gov.in/scores/Welcome.html
13	Keep a record of documents signed, DIS issued and account statements received.
14	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
15	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
16	Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
17	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
18	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
19	Beware of assured/fixed returns.

This Policy and Procedure document of SPREAD X SECURITIES PVT.LTD. contains important information on trading in Equities, F&O and Currency Derivative segment(s) of the Exchange(s) through SPREAD X SECURITIES PVT.LTD.. All clients should read this document before trading. Since the dimensions of Securities Trading are dynamic and ever changing, Clients are further advised to keep themselves updated with the changing environment and Regulatory provisions, frame work and environment.

REFUSAL OF ORDER FOR PENNY STOCK

Following types of scrips will come under Penny stock if it falls in any one category as mentioned below as part of the due diligence and risk management policy of SPREAD X SECURITIES PVT.LTD.:

- a) Scrip which are quoting at less than Rs. 10/- on any of the Exchanges.
- b) Scrips appearing in the list of illiquid securities issued by the Exchanges periodically.
- c) Securities forming part of Trade-to-Trade settlement.
- d) Securities forming part of Z group.
- e) Scrips on which Exchange VaR is more than 50%.
- f) Scrip whose average daily volume is less than 15000 shares (collectively for all Exchanges) in last seven days.
- g) Any Securities which in the opinion of SPREAD X SECURITIES PVT.LTD. is likely to be a Penny Stock. Trading in Penny stocks may be allowed to clients at the sole discretion of SPREAD X SECURITIES PVT.LTD.. Also SPREAD X SECURITIES PVT.LTD. may restrict the quantity/amount which a client may be allowed to buy/sell the penny stock. If the client wants to purchase Penny stocks then SPREAD X SECURITIES PVT.LTD. may insist upto 100% advance payment/ sufficient clear ledger credit balance and similarly if client wishes to sell Penny stock, then SPREAD X SECURITIES PVT.LTD. may insist that shares should be first transferred to beneficiary demat account of SPREAD X SECURITIES PVT.LTD.. Under no circumstances, SPREAD X SECURITIES PVT.LTD. shall be held responsible for non- execution/delay in execution of such orders and consequential opportunity loss or financial loss to the client.
- h) Clients must ensure that trading in "Penny stock" doesn't result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in "Penny stock" doesn't operate as a device to inflate or depress or cause fluctuations in the price of such stock. Clients are expected not to place orders in penny stocks at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of SPREAD X SECURITIES PVT.LTD.

SETTING UP CLIENT'S EXPOSURE LIMITS

As a part of sound risk management policy of SPREAD X SECURITIES PVT.LTD., the client will not be allowed to place orders in far months contract i.e. any order having expiry cycle of three months (far away contracts) in the Derivatives Segment. In the event of crossing of Market Wide Position Limit (MWPL) (in terms of the number of open positions in underlying security) specified by SEBI / Exchange in a security and a security being under ban / restriction period, the client shall not be allowed to take new / further position in the said security during such ban / r striction period, and the client shall be allowed to trade only to decrease his/ her / its position through offsetting positions in the said security during which the ban / restriction on fresh position is in force for the said security. In the event of crossing

Trading Member Position Limit (TMPL) and / or Client Level Position Limit (CLPL), whether the security is under ban / restriction period or not, the clients shall not be allowed to take new / further position in the said security and the clients shall be allowed to trade only to decrease his/ her / its position through offsetting positions in the said security till the Trading Member Position Limit (TMPL) and / or Client Level Position Limit (CLPL) comes within the permissible trading limit in the said security. SPREAD X SECURITIES PVT.LTD. may from time to time impose and vary limits / margins requirement on the orders that the client can place through the stockbroker's trading system (including exposure/margin 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 SPREAD X SECURITIES PVT.LTD. may need to vary or reduce the limits or impose new limits urgently on the basis of SPREAD X SECURITIES PVT.LTD.'s risk perception and other factors considered relevant by SPREAD X SECURITIES PVT.LTD. 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 SPREAD X SECURITIES PVT.LTD. may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that SPREAD X SECURITIES PVT.LTD. shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through SPREAD X SECURITIES PVT.LTD.'s trading system on account of any such variation, reduction or imposition of limits. The client further agrees that SPREAD X SECURITIES PVT.LTD. may at anytime, at its sole discretion and without prior notice prohibit or restrict the client's ability to place orders or trade in securities through SPREAD X SECURITIES PVT.LTD. 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 SPREAD X SECURITIES PVT.LTD. / exchange / SEBI and any other reasons which SPREAD X SECURITIES PVT.LTD. 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.

SPREAD X SECURITIES PVT.LTD. is required only to communicate / advise the parameters for the calculation of the margin / security requirements as rate(s) / percentage(s) of the dealings and/or as SPAN requirement, through any one or more approved means or methods such as post /speed post / courier / registered post / registered A.D / facsimile / cable / e-mail / voice mails / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of SPREAD X SECURITIES PVT.LTD.; by publishing / displaying it on the website of SPREAD X SECURITIES PVT.LTD./making it available as a download from the website of SPREAD X SECURITIES PVT.LTD.; by displaying it on the notice board of the branch/office through which the client trades or if the circumstances, so require, by radio broadcast/television broadcast/ newspapers advertisements etc; or any other approved mode or manner.

The client agrees that the postal department /the courier company and the e-mail/voice mail service provider and such other service providers shall be the agent of the client and the dispatch shall be complete when communication is given to the postal department / the courier company / the e-mail /voice mail service provider, etc. by SPREAD X SECURITIES PVT.LTD.

once parameters for margin /security requirements are so communicated, the client shall monitor his / her / its position (dealings / trades and valuation of security) on his / her / its own and provide the required / deficit margin / security forthwith as required from time to time. The client is not entitled to trade without adequate margin / security and that it shall ascertain beforehand the margin / security requirements for his / her/its orders / trades /deals and to ensure that the required margin / security is made available to SPREAD X SECURITIES PVT.LTD. in such form and manner as may be required by SPREAD X SECURITIES PVT.LTD.. If the client's order is executed despite a shortfall in the available margin, the client, shall, whether or not SPREAD X SECURITIES PVT.LTD. intimates such shortfall in the margin to the client, make up the shortfall suo moto immediately.

The client further agrees that he /she / it shall be responsible for all orders (including any orders that may be executed without the required margin in the client's account) & / or any claim / loss /damage arising out of the non-availability /shortage of margin /security required by SPREAD X SECURITIES PVT.LTD. & / or exchange & / or SEBI. SPREAD X SECURITIES PVT.LTD. is entitled to vary the form and manner (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of money instead of shares) & / or quantum & or percentage of the margin & / or security required to be deposited /made available, from time to time.

The margin / security deposited by the client with SPREAD X SECURITIES PVT.LTD. are not eligible for any interest. SPREAD X SECURITIES PVT.LTD. is entitled to include / appropriate any / all pay out of funds & or securities towards margin / security without requiring specific authorizations for each payout. SPREAD X SECURITIES PVT.LTD. is entitled to transfer funds &/ or securities from his account for one exchange & /or one segment of the exchange to his / her /its account for another exchange & /or another segment of the same exchange whenever applicable and found necessary by SPREAD X SECURITIES PVT.LTD.

The client also agrees and authorizes SPREAD X SECURITIES PVT.LTD. to treat/ adjust his / her /its margin / security lying in one exchange & / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange & / or another segment of the exchange. SPREAD X SECURITIES PVT.LTD. is entitled to withhold the securities received from the exchange as payout if there is a negative ledger balance in the client's account. Such withheld securities will be released to the clients demat accounts as per SPREAD X SECURITIES PVT.LTD. policies which will be available on SPREAD X SECURITIES PVT.LTD.'s website and will be communicated to clients on a best effort basis.

SPREAD X SECURITIES PVT.LTD. is entitled to disable / freeze the account & / or trading facility / any other service facility, if, in the opinion of SPREAD X SECURITIES PVT.LTD., the client has committed a crime / fraud or has acted in contradiction / violation of any laws, rules, regulations, directions etc. of a lawful authority whether Indian or foreign or if SPREAD X SECURITIES PVT.LTD. so apprehends.

APPLICABLE BROKERAGE RATES

SPREAD X SECURITIES PVT.LTD. is entitled to charge brokerage within the limits imposed by exchanges from time to time. The brokerage to be charged by SPREAD X SECURITIES PVT.LTD. shall be exclusive of all statutory levies such as services Tax, Stamp duty, SEBI turnover fees, Securities Transaction Tax and other taxes as they exist from time to time and as they apply to the account and transactions of the Clients and for the services rendered to the Clients.

Any revision in brokerage will be made only after giving 30 days notice by way of communication through email and through physical in writing and as per client consent. In order to provide competitive advantage and scale of economy and operations to the clients, SPREAD X SECURITIES PVT.LTD. will provide new / innovative and economical Brokerage Rate Structure at a rate as mentioned / made available on the Website / portal of SPREAD X SECURITIES PVT.LTD. intimated in writing and as may be mutually agreed and modified from time to time. It shall however be ensured that the Brokerage shall not exceed maximum permissible under the applicable regulations.

IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES

The client agrees that any amounts which are overdue from the client towards trading or on count of any other reason (including shortfall in margin requirement or margin provided in form of collateral in lieu of cash margin) to SPREAD X SECURITIES PVT.LTD. will be charged with delayed payment charges / penalty @ 1.5 % per month or part thereof. The client agrees that SPREAD X SECURITIES PVT.LTD. may impose fines / penalties for any orders /trades / deals / actions of the client which are contrary to the 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 SPREAD X SECURITIES PVT.LTD. 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.

The client agrees to pay to SPREAD X SECURITIES PVT.LTD. brokerage, commission, fees, all taxes, duties levies imposed by any authority including' but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses as they apply from time to time to the client's account / transactions / services that the client avails from SPREAD X SECURITIES PVT.LTD. SPREAD X SECURITIES PVT.LTD. also retains the right to charge postage, courier etc. expenses to clients for issuing duplicate copies of statements in regard to client's account. The penalty / delayed payment charges imposed by SPREAD X SECURITIES PVT.LTD. shall be debited to the account/ ledger of the clients. Any change / revision in the scale of penalty / delayed payment charges will be informed to the clients in writing through approved means or methods (and with client's consent) such as post /speed post / courier / registered post / registered A.D / facsimile / cable / e-mail / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of SPREAD X SECURITIES PVT.LTD.; and by publishing / displaying it on the website of SPREAD X SECURITIES PVT.LTD. / making it available as a download from the website of SPREAD X SECURITIES PVT.LTD.; by displaying it on the notice board of the branch / office through which the client trades or any other suitable or applicable mode or manner.

THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES LIMITED TO THE EXTENT OF SETTLEMENT MARGIN OBLIGATION

The client is required to pay adequate margin payin obligations in full and the clients shall ascertain in advance the margin / pay-in obligations requirement for its order/ trades/ deals and to ensure that the required margin /payin obligations is made available to SPREAD X SECURITIES PVT.LTD. in such form and such manner as may be required by SPREAD X SECURITIES PVT.LTD. from time to time. If the client's order is executed despite a shortfall in the available margin, the client shall, whether or not SPREAD X SECURITIES PVT.LTD. intimates such shortfall to the client, make up for the shortfall suo-motto immediately.

The client shall be responsible for all orders (including any orders that may be executed without the required margin in the clients account) and/or any claim/ loss/damage arising out of the non-availability/ shortage of margin / pay-in obligations required by SPREAD X SECURITIES PVT.LTD. and/or by Exchange. The client shall fulfill all its obligations / liabilities / dues to SPREAD X SECURITIES PVT.LTD., failing which SPREAD X SECURITIES PVT.LTD. has the right not the obligation to square up all or any outstanding position and / or take offsetting positions and / or sell the margin / securities available with SPREAD X SECURITIES PVT.LTD. without giving any notice to the client. SPREAD X SECURITIES PVT.LTD. may also square up all or any outstanding position and / or sell the securities/collateral available with SPREAD X SECURITIES PVT.LTD. as a part of risk management at any time by giving notice to the client. In case of purchase on behalf of client, the SPREAD X SECURITIES PVT.LTD. may close out its transactions by selling securities, in case the Client fails to make full payment to SPREAD X SECURITIES PVT.LTD. for the same before the time intimated by SPREAD X SECURITIES PVT.LTD.. In case of sale on behalf of client, the SPREAD X SECURITIES PVT.LTD. may close out its transaction by purchasing the securities. The client shall be liable for any losses, costs and be entitled to any surplus, which may result from the above.

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

SPREAD X SECURITIES PVT.LTD. has margin based RMS system; client may take exposure up to the amount of margin available with us and/or collaterals pledged with us. Client may not be allowed to take position in case of non- availability / shortage of margin as per RMS policy of SPREAD X SECURITIES PVT.LTD.

The existing position of the client and/or shares pledged with us as collateral are also liable to be squared off / closed out without giving notice due to shortage of margin / non making of payment for their pay in obligation / outstanding debts. SPREAD X SECURITIES PVT.LTD. will have the right to close out all open positions and/or sell client's securities and/ or shares pledged with us as collateral, as and when the client defaults in his settlement/sale delivery/margin/MTM obligations in any segment of the exchanges.

The close out/ selling will be only to extent of shortages in Margins, MTM or settlement obligations on all segments of exchange(s). In case the payment of the margin / security is made by the client through a bank instrument, SPREAD X SECURITIES PVT.LTD. 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 SPREAD X SECURITIES PVT.LTD.

Where the margin / security is made available by way of securities or any other approved collateral, SPREAD X SECURITIES PVT.LTD. is empowered to decline its acceptance as margin / security & / or to accept it at such reduced value as SPREAD X SECURITIES PVT.LTD. may deem fit by applying haircuts atleast at the rate prescribed by the exchange or by valuing it by marking it to market or by any other approved method as SPREAD X

SECURITIES PVT.LTD. may deem fit in its absolute discretion. Usage of Collateral at discretion of broker SPREAD X SECURITIES PVT.LTD. retains the right to adjust at such rate as prescribed by the exchange or such higher rate as deemed fit the Collateral deposited by the Client against his / her / its settlement / margin obligation. The client shall ensure replenishment of Collateral on account of diminution of values of Collaterals on account of non-cash corporate action initiated by the concerned company whose securities are deposited by the client with SPREAD X SECURITIES PVT.LTD. as Collateral. In the event of diminution of values of Collaterals, SPREAD X SECURITIES PVT.LTD. has the right but not the obligation to square off / close out the open position of the Client.

SPREAD X SECURITIES PVT.LTD. 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. In case of open position (i.e. short / long) gets converted into delivery due to non 'square off because of any reason whatsoever, the client agrees to provide securities / funds to fulfill the pay-in obligation failing which the client will have to face auction or internal close out; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any. Without prejudice to the foregoing, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s). SPREAD X SECURITIES PVT.LTD. is entitled to prescribe the date and time by which the margin / security is to be made available and SPREAD X SECURITIES PVT.LTD. may refuse to accept any payments in any form after such deadline for margin / security expires. If the client fails to maintain or provide the required margin / fund / security or to meet the funds / margins / securities pay in obligations for the orders / trades / deals of the client within the prescribed time and form, SPREAD X SECURITIES PVT.LTD. shall have the right without any further notice or communication to the client to take any one or more of the following steps :

- a) To withhold any payout of funds / securities.
- b) To withhold / disable the trading / dealing facility to the client.
- c) To liquidate one or more security (ies) of the client by selling the same in such manner and at such rate which SPREAD X SECURITIES PVT.LTD. may deem fit in its absolute discretion. It is agreed and understood by the client that securities here includes securities which are pending delivery receipt
- d) To liquidate / square off partially or fully the position of sale & / or purchase in any one or more securities / contracts in such manner and at such rate which SPREAD X SECURITIES PVT.LTD. may decide in its absolute discretion.
- e) To take any other steps (including liquidation of client collateral, in any form) which in the given circumstances, SPREAD X SECURITIES PVT.LTD. may deem fit. The client agrees that the loss(s) if any, on account of any one or more steps as enumerated herein above being taken by SPREAD X SECURITIES PVT.LTD., shall be borne exclusively by the client alone.

SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

SPREAD X SECURITIES PVT.LTD. shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by SPREAD X SECURITIES PVT.LTD. 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: The short delivering client is debited by an amount equivalent T day's closing rate on T+1. The securities delivered short are purchased from market on T+1 day which is the Auction Day on Exchange, 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. (Please note that process for handling of internal shortages may be changed by the broker at its discretion with prior notice of 30 days as per agreed mode of communication which may also be published on the website of SPREAD X SECURITIES PVT.LTD.).

TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST

On the written request of the client, the client account can be suspended temporarily and can be re-activated on the written request of the client only. During suspension period, the market transaction will be prohibited. However client's pending settlement can take place. SPREAD X SECURITIES PVT.LTD. can withhold the payouts of client and suspend his trading account due to surveillance action or judicial or / and regulatory order/action requiring client suspension. On the written request of the client, the client account can be closed provided the client adheres to formalities for account closure including settlement of all dues in the account and closing of all open position. If the client wishes to again open a broking account then the client shall have to complete the KYC and account opening formalities once again.

DEREGISTERING A CLIENT

SPREAD X SECURITIES PVT.LTD. may terminate the trading account of the client in any of the following circumstance

- a) 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 the market, either alone or in conjunction with others. If there is any commencement of a legal process against the Client under any law in force.
- b) If the Client has found to be of unsound mind or of other disability by a competent authority and the findings are in force.
- c) If the Client has been convicted by a Court of any offence involving moral turpitude.
- d) On the death of the Client.
- e) If a receiver, administrator or liquidator has been appointed or allowed to be appointed for the Client.

f) If the client being declared a defaulter by any of the regulatory bodies of the country or under any law being in force or In the event SPREAD X SECURITIES PVT.LTD. becoming aware of any proceedings being initiated against the client by any of the regulatory bodies of the country or under any law being in force or the client being involved in any criminal proceedings or any illegal business or the member becoming aware of the client's past offences which are illegal or prohibited by the regulatory bodies of the country or under any law being in force.

g) On the specific written directions of any statutory/ legal authority/Regulatory Authority.

h) If the Client becomes un-discharged insolvent or applies to be adjudicated as an insolvent.

i) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution

j) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security; If there is reasonable apprehension that the Client is unable to pay its lawful debts or the Client has admitted its inability to pay its lawful debts, as they become payable

POLICY FOR DORMANT ACCOUNTS

A Trading Account (irrespective whether having debit or credit balance) shall be classified as dormant account in case there are no transactions for a period of 12 (Twelve) calendar months from the last transaction date. The Dormant Accounts shall be frozen for further transaction(s). Transactions here mean any of the following:

a) No purchase or sale transaction in the Cash Segment of NSE & BSE.

b) No purchase or sale transaction in the Derivative segment of NSE & BSE.

c) No purchase or sale transaction in the currency the written request of the client only. During suspension period, the market transaction will be prohibited. However client's pending settlement can take place. SPREAD X SECURITIES PVT.LTD. can withhold the payouts of client and suspend his trading account due to surveillance action or judicial or / and regulatory order/action requiring client suspension.

On the written request of the client, the client account can be closed provided the client adheres to formalities for account closure including settlement of all dues in the account and closing of all open position. If the client wishes to again open a broking account then the client shall have to complete the KYC and account opening formalities once again.

TRADING IN EXCHANGE IS IN ELECTRONIC MODE

Trading in Exchange is in Electronic Mode based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. The Client understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in their back office / front end system, or any such other problems/glitch whereby not being able to establish access to the trading system / network, which may be beyond our control and may result in delay in processing or not processing buy or sell Orders either in part or in full. The Client shall be fully liable and responsible for any such problem/fault.

PROPRIETARY TRADING

"Disclosure of Proprietary Trading by Spread X Securities Private Limited, In pursuance of the Securities Exchange Board of India (SEBI) directives, vide Circulars No. SEBI/MRD/SE/CIR-42/2003 dated November 19, 2003 and SEBI/HO/CDMRD/DMP/CIR/P/2016/49 dated April 25, 2016 We hereby inform and intimate to our Clients and all other value chain Participants that being members of BSE Limited (BSE), and National Stock Exchange of India Limited (NSE),

We do engage in proprietary trading activities in the exchange traded Securities"

Mode of payment to and from the clients :

1. SPREAD X SECURITIES PVT.LTD. doesn't deal with its client vis-à-vis their trading by way of cash, accordingly all payments are made or received by them only through banking channels. further the client must make payments to the stock broker / member from his designated bank account only as mentioned on Website only.

2. SPREAD X SECURITIES PVT.LTD. does not deal with its client vis-à-vis their trading by way of third party cheques. accordingly, if any payment is made otherwise, then it is credited to suspense account.

RECORDING OF CONVERSATION:-

The client is aware and agrees that SPREAD X SECURITIES PVT.LTD. may tape record the conversation between the client /client's representative and SPREAD X SECURITIES PVT.LTD., whether over the telephone or in person. SPREAD X SECURITIES PVT.LTD. may produce before competent authorities, voluntarily or on such production being required by such authorities, recorded conversation or transcript thereof or both as valid evidence of the content of the conversation so recorded.

(as per the requirements of the PMLA Act 2002) (reviewed on 29th July, 2025)**1. Company Policy**

It is the policy of the Company to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets

2. Principal Officer Designation and Duties

The Company has designated Smt. Khushbu N Shah, Senior officer as the Principal Officer for its Anti - Money Laundering Program, with full responsibility for the Company's AML program is qualified by experience, knowledge and training. The duties of the Principal Officer will include monitoring the Company's compliance with AML obligations and overseeing communication and training for employees. The Principal Officer will also ensure that proper AML records are kept. When warranted, the Principal Officer will ensure filing of necessary reports with the Financial Intelligence Unit (FIU – IND).

The Company has provided the FIU with contact information for the Principal Officer, including name, title, mailing address, e-mail address, telephone number and facsimile number. The Company will promptly notify FIU of any change to this information.

3. Appointment of Designated Director

As part of our AML program, in reference to SEBI circular no. CIR/MIRSD/1/2014 dated March 12, 2014 regarding Anti Money Laundering

/ Countering the Financing of Terrorism (AML / CFT) obligations of Securities Market Intermediaries, Mr. Yogesh Jain has been appointed as the Designated Director.

4. Customer Identification and Verification

At the time of opening an account or executing any transaction with it, the Company will verify and maintain the record of identity and current address or addresses including permanent address or addresses of the client, the nature of business of the client and his financial status as under

Constitution of Client	Proof of Identity	Proof of Address	Others
Individual	PAN Card Voter Id Card Driving License Passport MAPIN UID Card	Passport Bank Pass Book/Statement Ration Card Driving License Telephone Bill Electricity Bill	PAN Card Voter Id Card Driving License Passport MAPIN UID Card
Company	PAN Card Certificate of incorporation Memorandum and Articles of Association Resolution of Board of Directors	As above applicable	Proof of Identity and address of the Directors/Others authorized to trade on behalf of the Company
Partnership Company	PAN Card Registration certificate Partnership deed	As above applicable	Proof of Identity of the Partners/Others authorized to trade on behalf of the Company
Trust	PAN Card Registration certificate Trust deed	As above applicable	Proof of Identity of the Trustees/ others authorized to trade on behalf of the trust
AOP/ BOI	PAN Card Resolution of the managing body Documents to collectively establish the legal existence of such an AOP/ BOI	As above applicable	Proof of Identity of the Persons authorized to trade on behalf of the AOP/ BOI

1. If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, our Company will not open the new account.
2. PAN shall be a mandatory requirement for account opening. All PAN Cards received will be verified from the Income Tax website before the account is opened.
3. The Company will maintain records of all identification information for five years after the account has been closed.
4. As per the AML policy the company has a proper system to identify the name of entities mentioned in the list given by United Nation's Security Council resolutions (UNSCRs) which can be accessed in the United Nations website at <http://www.un.org/sc/committees/1267/consolist.html> before opening of any of the account.
5. It will be required that senior management approval is obtained for establishing business relationships with PEPs. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, The Company shall obtain senior management approval to continue the business relationship.

5. Risk Categorization of Clients

We accept the clients based on the risk they are likely to pose. The aim is to identify clients who are likely to pose a higher than average risk of money laundering or terrorist financing. For this purpose, we need to classify the clients as Low Risk, Medium Risk and High Risk clients. By classifying the clients, we will be in a better position to apply appropriate customer due diligence process. That is, for High Risk client we have to apply higher degree of due diligence. The factors of risk perception depend on client's location, nature of business activity, turnover, nature of transaction, manner of payments, etc.

In order to achieve this objective, all clients should be classified in the following category:

Category A – Low Risk Category B – Medium Risk Category C – High Risk

Category A : clients are those who pose low or nil risk. They are good corporate / HNIs who have a respectable social and financial standing. These are the clients who make payment on time and take delivery of shares.

Category B : clients are those who are intra - day clients or speculative clients. These are the clients who maintain running account with SPREAD X.

Category C : clients are those who have defaulted in the past, have suspicious background, do not have any financial status, etc.

All transactions of clients identified as High Risk Categories should be put to counter measures. These measures may include further enhanced scrutiny of transactions, enhanced relevant reporting mechanism or systematic reporting of transactions and applying enhanced due diligence.

Parameters for risk categorization like income / net-worth details, source of income (salaried or business class), risk appetite, expected volume of turnover, current debts of the client etc., shall be ascertained at the time of the client's account opening to assist in deciding his / her risk category as low, medium and high. For instance, a salaried person who just wishes to trade in the cash market will be categorized under low risk and HNIs, PEPs and all other Clients of Special Category will be categorized under the High Risk Category.

6. Client Due Diligence

The main aspect of this policy is the Customer Due Diligence Process which means:

- Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and / or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement;
- Verify the customer's identity using reliable, independent source document, data or information;
- Conduct on - going due diligence and scrutiny of the account / client to ensure that the transaction conducted are consistent with the client's background / financial status, its activities and risk profile.
- In case of clients with past background in trading and whose KRAs are already registered, the company will rely on the data received from such KRA Agencies for Client Due Diligence.
- Ensure that an account is not opened where the intermediary is unable to apply appropriate CDD measures / KYC policies.
- The circumstances under which the client is permitted to act on behalf of another person / entity shall be clearly laid down.
- We conduct periodic due diligence and scrutiny of client's transaction and accounts to ensure that transactions are being conducted in knowledge, to find out the risk profile, source of funds, etc. At regular interval, ongoing due diligence and scrutiny needs to be conducted i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Organization's

knowledge of the client, its business and risk profile, taking into account, where necessary, the customer's source of funds.

The Customer Due Diligence Process includes four specific parameters :

- Policy for Acceptance of Clients.
- Client Identification Procedure.
- Monitoring of transactions.
- Tracking and reporting Suspicious Transactions.

07 Identification of Clients of Special Category (CSC)

Company will monitor and identify following clients of Special Category in the back office for additional consideration.

- Non - resident clients;
- High net worth clients (HNI);
- Trust, Charities, NGOs and organizations receiving donations;
- Companies having close family shareholdings or beneficial ownership;
- Politically exposed persons (PEP);
- Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence);
- Companies offering foreign exchange offerings;
- Clients in high risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent;
- Non face to face clients;
- Clients with dubious reputation as per public information available etc;
- Failure by prospective client to provide satisfactory evidence of identity shall be noted and reported to the higher authority within the intermediary. The above mentioned client will require a special attention while registering them by calling additional information in addition to statutory requirement as deems fit. This list is only illustrative and the Company will exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

08 Acceptance of Clients:

While accepting any new client following procedures / checks must be adhered to namely;

- a.** Accept client whom we are able to meet personally. Either the client should visit the office / branch or concerned official may visit the client at his residence / office address to get the necessary documents filled in and signed. Preferably accept clients who live within the jurisdiction of the branch.
- b.** Obtain complete information from the client. It should be ensured that the initial forms taken by the clients are filled in completely. All photocopies submitted by the client are checked against original documents without any exception. All supporting documents as specified by Securities and Exchange Board of India (SEBI) and Exchanges are obtained and verified.
- c.** Check whether the client's identity matches with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement / regulatory agency worldwide.
- d.** We should be careful while accepting clients of special category like NRIs, HNIs, Trust, Charities, NGOs, Politically Exposed Persons (PEP), persons of foreign origin, companies having closed share holding/ownership, companies dealing in foreign currency, clients in high risk countries, non - face to face clients.
- e.** For non - individual customers as part of the due diligence measures, sufficient information must be obtained for identification of ultimate natural person(s) who beneficially own or control such entity. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party should be identified and verified using client identification and verification procedures as early as possible. The beneficial owner is the natural person or persons who ultimately own, control, or influence a client and / or persons on whose behalf a transaction(s) is / are being conducted. It includes persons who exercise ultimate effective control over a legal person or arrangement.

f. Ensure that no account is being opened in a fictitious / benami name or on an anonymous basis.

g. Client's account should be opened only on receipt of mandatory information along with authentic supporting documents as per the regulatory guidelines. Do not open the accounts where the client refuses to provide information / documents and we should have sufficient reason to reject the client towards this reluctance.

09 Maintenance of records

Company shall have a system of maintaining proper record of all transactions including records of all transactions prescribed under Rule 3 of the Rules, as mentioned below:

- all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- all series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- all suspicious transactions whether or not made in cash. Suspicious transaction means a transaction whether or not made in cash which, to a person acting in good faith, gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- appears to be made in circumstances of unusual or unjustified complexity; or
- appears to have no economic rationale or bonafide purpose; or
- gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.

The records shall contain the following information :

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.

Thus the following document retention terms shall be observed :

a. All necessary records on transactions, both domestic and international, shall be maintained at least for the minimum period prescribed under the relevant Act and Rules (PMLA and rules framed thereunder as well SEBI Act) and other legislations, Regulations or exchange bye-laws or circulars.

b. Registered intermediaries shall maintain and preserve the records of documents evidencing the identity of its clients and beneficial owners (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later.

c. In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they shall be retained until it is confirmed that the case has been closed.

Records of information reported to the Director, Financial Intelligence Unit – India (FIU – IND) :

Registered Intermediaries shall maintain and preserve the records of information related to transactions, whether attempted or executed, which are reported to the Director, FIU – IND, as required under Rules 7 and 8 of the PML Rules, for a period of five years from the date of the transaction between the client and the intermediary.

SPREAD X shall take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, SPREAD X shall maintain for such number of years as would be required under the PMLA 2002 and rules made thereunder from the date of transaction between SPREAD X and the client.

10 Monitoring Accounts For Suspicious Activity

The Company will monitor through the automated means of Back Office Software / online surveillance software for unusual size, volume, pattern or type of transactions by monitoring following type of transactions:-

1. Trades in the illiquid Securities as provided by the exchange;
2. Daily client wise turnover and traded securities;
3. Daily M2M and/or Profit & loss to the client for verifying any pattern;
4. Trading pattern of the client in Particular script;
5. Cross Trades within Spread X Group;
6. All off market transfer through our DP of Rs. 5 Lacs or more and / or any consistently off market transaction in any particular Demat Account.

For non automated monitoring, the following kinds of activities are to be mentioned as Red Flags and reported to the Principal Officer :

1. The customer exhibits unusual concern about the Company's compliance with government reporting requirements and the Company's AML policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents.
2. The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer's stated business or investment strategy.
3. The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
4. Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets
5. The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
6. The customer exhibits a lack of concern regarding risks, commissions, or other transaction costs.
7. The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
8. The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
9. The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash, or asks for exemptions from the Company's policies relating to the deposit of cash.

10. The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the Rs.10,00,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.

11. For no apparent reason, the customer insists for multiple accounts under a single name or multiple names, with a large number of inter – account or third - party transfers.

12. The customer engages in excessive journal entries between unrelated accounts without any apparent business purpose.

13. The customer requests that a transaction be processed to avoid the Company's normal documentation requirements.

14. The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as Z group and T group stocks, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)

15. The customer's account shows an unexplained high level of account activity.

16. The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose.

17. The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

18. When a member of the Company detects any red flag he or she will escalate the same to the Principal Officer for further investigation. Broad categories of reason for suspicion and examples of suspicious transactions for an intermediary are indicated as under:

Identity of Client :

- False identification documents;
- Identification documents which could not be verified within reasonable time;
- Non-face to face client;
- Doubt over the real beneficiary of the account;
- Accounts opened with names very close to other established business entities

Suspicious Background:

- Suspicious background or links with known criminals;

Multiple Accounts :

- Large number of accounts having a common account holder, introducer or authorized Signatory with no rationale:

Signatory with no rationale:

- Unexplained transfers between multiple accounts with no rationale

Activity in Accounts:

- Unusual activity compared to past transactions;
- Use of different accounts by client alternatively;
- Sudden activity in dormant accounts;
- Activity inconsistent with what would be expected from declared business Account used for circular trading;

Nature of Transactions:

- Unusual or unjustified complexity;
- No economic rationale or bonafide purpose;
- Source of funds are doubtful;
- Appears to be case of insider trading;
- Investment proceeds transferred to a third part;
- Transactions reflect likely market manipulations;
- Suspicious off market transactions

Value of Transactions:

- Value just under the reporting threshold amount in an apparent attempt to avoid reporting;
 - Large sums being transferred from overseas for making payments;
 - Inconsistent with the clients apparent financial standing;
 - Inconsistency in the payment pattern by client;
- Block deal which is not at market price or prices appear to be artificially inflated / deflated.

11. Reporting to FIU IND**For Cash Transaction Reporting**

All dealing in Cash that requiring reporting to the FIU IND will be done in the CTR format and in the matter and at intervals as prescribed by the FIU IND.

For Suspicious Transactions Reporting

We will make a note of Suspicion Transaction that have not been explained to the satisfaction of the Principal Officer and thereafter report the same to the FIU IND and the required deadlines. This will typically be in cases where we know, suspect, or have reason to suspect:

- the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade any the transaction reporting requirement.
- the transaction is designed, whether through structuring or otherwise, to evade the any requirements of PMLA Act and Rules framed thereof.
- the transaction has no business or apparent lawful purpose or is not the sort in which the customer would normally be expected to engage, and we know, after examining the background, possible purpose of the transaction and other facts, of no reasonable explanation for the transaction, or
- the transaction involves the use of the Company to facilitate criminal activity.

We will not base our decision on whether to file a STR solely on whether the transaction falls above a set threshold. We will file a STR and notify law enforcement of all transactions that raise an identifiable suspicion of criminal, terrorist, or corrupt activities.

All STRs will be reported quarterly to the Board of Directors, with a clear reminder of the need to maintain the confidentiality of the STRs.

We will not notify any person involved in the transaction that the transaction has been reported, except as permitted by the PMLA Act and Rules thereof.

12. Power of Central Government

Section 51 A of Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an order dated August 27th 2009 detailing the procedure for implementation of Section 51A of UAPA.

Under the aforementioned section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the directions of the individuals, or entities entered in the schedule to the order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or the entities, entered in the schedule to the order, or any other person engaged in or suspected to be engaged in terrorism. The obligation to be followed by intermediaries to ensure intermediaries to ensure the effective and expeditious implementation of said order has been issued vide SEBI Circular ref no. ISD/AML/CIR-2/2009 Dated October 23, 2009, which needs to be complied with scrupulously.

As per our AML policy and in accordance with order issued by SEBI, when Central Government will issue order, we can freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of or at the direction of

the individuals or entities to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of such persons engaged in or suspected to be engaged in terrorism. In view of the reorganization of Divisions in the Ministry of Home Affairs and allocation of work relating to countering of terror financing to the Counter Terrorism and Counter Radicalization (CTCR) Division, the Government has modified the earlier order dated August 27, 2009 by the order dated March 14, 2019 for strict compliance.

13. AML Record Keeping

a. STR Maintenance and Confidentiality

We will hold STRs and any supporting documentation confidential. We will not inform anyone outside of a law enforcement or regulatory agency or securities regulator about a STR. We will refuse any requests for STR information and immediately tell FIU IND of any such request we receive. We will segregate STR filings and copies of supporting documentation from other Company books and records to avoid disclosing STR filings. Our Principal Officer will handle all requests or other requests for STRs.

b. Responsibility for AML Records and SAR Filing

Principal Officer will be responsible to ensure that AML records are maintained properly and that STRs are filed as required

c. Records Required

As part of our AML program, our Company will create and maintain STRs and CTRs and relevant documentation on customer identity and verification. We will maintain STRs and their accompanying documentation for at least ten years.

14. Investor & Employee Training Programs

We will develop ongoing employee training under the leadership of the Principal Officer. The training will occur on at least on quarterly basis. It will be based on our Company's size, its customer base, and its resources.

As per the AML policy, the PMLA guidelines will be circulated and other specific literature / pamphlets etc. so as to educate the clients / investors about objectives, regulation & provision of AML Act on regular basis. The training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employees' duties; what to do once the risk is identified; what employees' roles are in the Company's compliance efforts and how to perform them; the Company's record retention policy; and the disciplinary consequences (including civil and criminal penalties) for non-compliance with the PMLA Act.

The Company will develop in-house training within the Company, or contract for it. Delivery of the training may include educational pamphlets, videos, intranet systems, in-person lectures, and explanatory memos.

The Company will review its operations to see if certain employees, such as those in compliance, margin, and corporate security, require any kind of specialized additional training. The written procedures of the company will be updated to reflect any such changes.

15. Hiring of Employees

The Company has a separate Human Resource Department, which will run a back ground check of the prospective employee to be hired with their previous employers and other recruitment agencies to get as much knowledge as possible on his / her behavior and activities.

16. Program to Test AML Program

a. Staffing

The testing of our AML program will be performed by the Statutory Auditors of the company.

b. Evaluation and Reporting

After we have completed the testing, the Auditor staff will report its findings to the Board of Directors. We will address each of the resulting recommendations.

17. Monitoring Employee Conduct and Accounts

We will subject employee accounts to the same AML procedures as customer accounts, under the supervision of the Principal Officer. We will also review the AML performance of supervisors, as part of their annual performance review. The Principal Officer's accounts will be reviewed by the Board of Directors.

18. Confidential Reporting of AML Non-Compliance

Employees will report any violations of the Company's AML compliance program to the Principal Officer, unless the violations implicate the Principal / Compliance Officer, in which case the employee shall report to the, Mr. Nikhil Shah, Director Such reports will be confidential, and the employee will suffer no retaliation for making them.

19. Board of Directors Approval

We have approved this AML program as reasonably designed to achieve and monitor our Company's ongoing compliance with the requirements of the PMLA and the implementing regulations under it.

20. Review of AML Policy

The aforesaid AML policy is reviewed on yearly basis or as and when any new circulars issued by the SEBI or relative exchanges, within one month of the same with regard to testing its adequacy to meet the compliance requirements of PMLA 2002. The Principal Officer is the authority to give directions to undertake additions, changes, modifications etc. as directed by SEBI/ FIU-IND.

VISION

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep 'protection of investors' interest' as goal while providing service.

Services provided to Investors

- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.
- Facilitate execution of early pay-inobligation instructions.
- Settlement of client's funds.
- Intimation of securities held in Client Unpaid Securities
- Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor's grievances.

Rights of Investors

- Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- Receive complete information about the risks, obligations, and costs of any investment before investing.
- Receive recommendations consistent with your financial needs and investment objectives.
- Receive a copy of all completed account forms and agreements.
- Receive account statements that are accurate and understandable.
- Understand the terms and conditions of transactions you undertake.
- Access your funds in a timely manner and receive information about any restrictions or limitations on access.
- Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- Discuss your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

Various activities of Stock Brokers with timelines

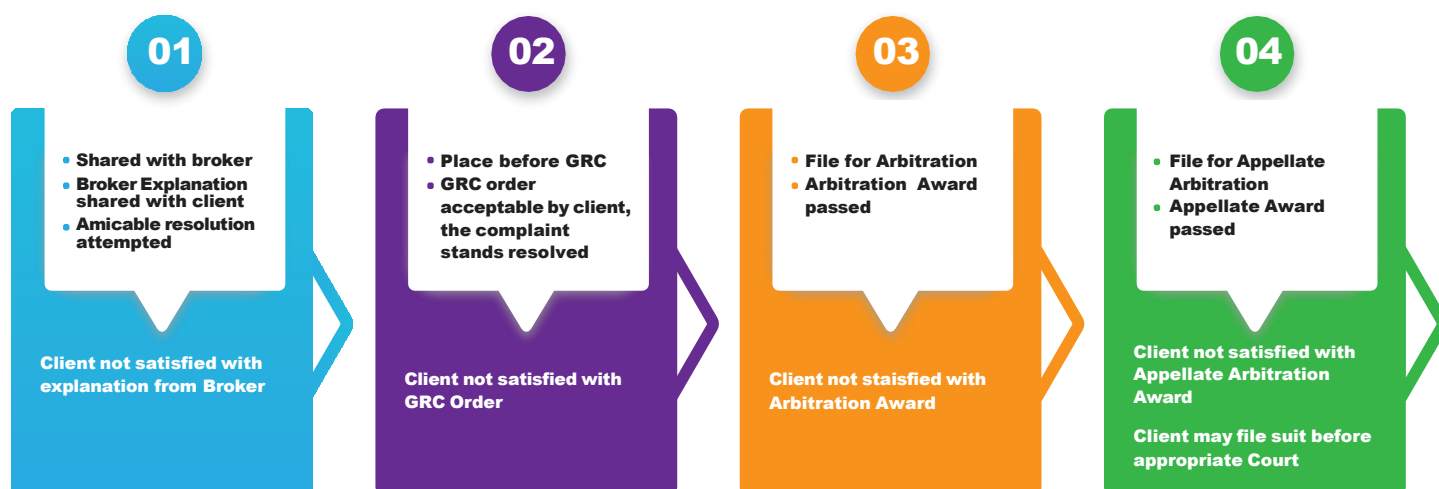
Sr.No.	Activities	Expected Timelines
01	KYC entered into KRA System and CKYCR	10 days of account opening
02	Client Onboarding	Immediate, but not later than one week
03	Order execution	Immediate on receipt of order, but not later than the same day
04	Allocation of Unique Client Code	Before trading
05	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
06	Issuance of contract notes	24 hours of execution of trades
07	Collection of upfront margin from client	Before initiation of trade
08	Issuance of intimations regarding other margin due payments	At the end of the T day
09	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10	'Statement of Accounts' for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12	Issuance of Annual Global Statement	30 days from the end of the financial year
13	Investor grievances redressal	30 days from the receipt of the complaint

DOs and DON'Ts for Investors

DOs		DON'Ts	
01	Read all documents and conditions being agreed before signing the account opening form.	01	Do not deal with unregistered stock broker.
02	Receive a copy of KYC, copy of account opening documents and Unique Client Code.	02	Do not forget to strike off blanks in your account opening and KYC.
03	Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.	03	Do not submit an incomplete account opening and KYC form.
04	Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.	04	Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.
05	Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.	05	5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.
06	If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.	06	Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.
07	Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.	07	7. Do not opt for digital contracts, if not familiar with computers.
08	Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.	08	Do not share trading password.
09	Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.	09	Do not fall prey to fixed / guaranteed returns schemes.
10	Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).	10	Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.
11	In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.	11	Do not follow herd mentality for investments. Seek expert and professional advice for your investments.

Grievance Redressal Mechanism

- Level 1** – Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.
- Level 2** – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.
Complaints Resolution Process at Stock Exchange explained graphically:



Timelines for complaint resolution process at Stock Exchanges against stock brokers

S. No.	Type of Activity	Timelines for activity
01	Receipt of Complaint	Day of complaint (C Day).
02	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
03	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
04	Amicable Resolution.	T+15 Working Days.
05	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
06	Complete resolution process post GRC.	T + 30 Working Days.
07	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
08	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
09	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order
10	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF). The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

HANDLING OF INVESTOR'S CLAIMS / COMPLAINTS IN CASE OF DEFAULT OF A TRADING MEMBER / CLEARING MEMBER (TM/CM)

Default of TM/CM

Following steps are carried out by Stock Exchange for benefit of investor, in case stock broker defaults:

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period.

Following information is available on Stock Exchange website for information of investors :

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.

Level 3 – The complaint not redressed at Stock Broker / Stock Exchange level, may be lodged with SEBI on SCORES (a web based centralized grievance redressal system of SEBI) @ <https://scores.gov.in/scores/Welcome.html>

3. Details of business transacted by the Depository and Depository Participant (DP)

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP). Details available on the link [<https://www.cdsindia.com/DP/dplist.aspx>].

4. Description of services provided by the Depository through Depository Participants (DPs) to investors

(1) Basic Services

Sr. no.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
01	Dematerialization of securities	7 days
02	Rematerialization of securities	7 days
03	Mutual Fund Conversion / Destatementization	5 days
04	Re-conversion / Restatementisation of Mutual fund units	7 days
05	Transmission of securities	7 days
06	Registering pledge request	15 days

Sr. no.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
07	Closure of demat account	30 days
08	Settlement Instruction	Depositories to accept physical DIS for pay-in of securities up to 4 p.m. and DIS in electronic form up to 6 p.m. on T+1 day

(2) Depositories provide special services like pledge, hypothecation, internet-based services etc. in addition to their core services and these include

Sr. no.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
01	Value Added Services	Depositories also provide value added services such as a. Basic Services Demat Account (BSDA) [link to be provided by DPs]1 b. Transposition cum dematerialization [link to be provided by DPs]2 c. Linkages with Clearing System [link to be provided by DPs] 3 d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc.
02	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly (if no transactions).
03	Digitalization of services provided by the depositories	Depositories offer below technology solutions and e-facilities to their demat account holders through DPs: a. E-account opening: Details available on the link [link to be provided by DPs]4 b. Online instructions for execution: Details available on the link [link to be provided by DPs]5 c. e-DIS / Demat Gateway: Details available on the link [link to be provided by DPs]6 d. e-CAS facility: Details available on the link [link to be provided by DPs]7 e. Miscellaneous services: Details available on the link [link to be provided by DPs]8

(Not applicable to clients who do not have online trading access)

1. Introduction

SEBI vide its circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 informed the Industry Standards Forum (ISF), under the aegis of stock exchanges, in consultation with SEBI, to frame the necessary guidelines. Pursuant to the same, the Exchanges have issued the circulars detailing the framework for trading members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities.

Exchanges through these circulars have further informed that the trading members shall frame a policy inline with the abovementioned framework, which shall be the part of the trading member's Risk Management Policy.

This policy framework also contains the Process and mode(s) through which the client can place the request to freeze/block & unfreeze / unblock the trading account along with the timelines that will be followed by the Trading Member for the same.

2. Framework of the voluntary freezing/blocking facility / Standard Operating Procedure (SOP):-

a. Mode of communication:-

The client shall request Spread X Securities for voluntary freezing/blocking the online access of trading account if any suspicious activity is observed in the trading account vide the below mentioned modes :

- a. Via Tele calling on the number 079-69072013
- b. Via Email on Stoptrade@spreadx.in

b. Process to be followed:-

Validation:-

- i. SSPL shall verify that the request for freezing/blocking the online access of the trading account is received from the respective client only.
- ii. Where the request is received from other than registered phone number of the client, client will be required to complete the authentication procedure. SSPL may also follow any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time.

Freezing/blocking the online access of the client's trading account:-

- i. Upon successful validation, the client's trading account shall be frozen/blocked from the online access.
- ii. An active Mutual Fund and Equity Systematic Investment Plan (SIP) shall remain active.
- iii. The client will continue to have offline access to the trading account i.e. the client will be able to place orders through the Authorized Person / dealer / call and trade and carry out any other offline activities such as raise request for statements, carry out client master modifications through physical requests etc.

Simultaneous cancellation of all the pending orders of the said client:-

- i. All pending orders of the client in all segments shall stand cancelled.
- ii. No fresh orders shall be allowed to be placed through online access.

Scenario and timelines:-

Scenario	Timelines for issuing acknowledgement as well as freezing/ blocking of the online access of the trading account
Request received during the trading hours* and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

* Trading hours shall be as follows: Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m., Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m.

Post freezing/blocking the client's trading account:-

SSPL shall send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account. Details of open positions (if any) would also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account. This will eliminate the risk of unwanted delivery settlement. This time limit may be contracted after Exchange's review and would stand effective as modified from time to time.

Risk Management:-

It is clarified that:

- i. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of SSPL.
- ii. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

Process for re-enablement:-

SSPL shall re-enable trading in the client's account after carrying out necessary due diligence including verifying the client using Two Factor Authentication and validating the client request and unfreezing / the account.

For unfreezing of the trading account, the client will have to get in touch on the dedicated phone number (079-69072013/9099050097-)/ Mail : Stoptrade@spreadx.in once such request has been received and authenticated, account will be unfrozen within 1 working day.

Maintenance of records/logs:-

SSPL shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

The Compliance Officer is authorized to provide any suitable advice/clarification/exception on the said policy.

Annexure

Investor Charter for Depositories and Depository Participants

1. Vision

Towards making Indian Securities Market - Transparent, Efficient, & Investor friendly by providing safe, reliable, transparent and trusted record keeping platform for investors to hold and transfer securities in dematerialized form.

2. Mission

- To hold securities of investors in dematerialised form and facilitate its transfer, while ensuring safekeeping of securities and protecting interest of investors.
- To provide timely and accurate information to investors with regard to their holding and transfer of securities held by them.
- To provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights.

3. Details of business transacted by the Depository and Depository Participant (DP)

A Depository is an organization which holds securities of investors in electronic form. Depositories provide services to various market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors in both primary as well as secondary markets. The depository carries out its activities through its agents which are known as Depository Participants (DP). Details available on the link [*link to be provided by Depositories*]

4. Description of services provided by the Depository through Depository Participants (DP) to investors

(1) Basic Services

Sr. No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
1.	Dematerialization of securities	7 days
2.	Rematerialization of securities	7 days
3.	Mutual Fund Conversion / Destatementization	5 days

Sr. No.	Brief about the Activity / Service	Expected Timelines for processing by the DP after receipt of proper documents
4.	Re-conversion / Restatementisation of Mutual fund units	7 days
5.	Transmission of securities	7 days
6.	Registering pledge request	15 days
7.	Closure of demat account	30 days
8.	Settlement Instruction	For T+1 day settlements, Participants shall accept instructions from the Clients, in physical form up to 4 p.m. (in case of electronic instructions up to 6.00 p.m.) on T day for pay-in of securities. For T+0 day settlements, Participants shall accept EPI instructions from the clients, till 11:00 AM on T day. Note: 'T' refers 'Trade Day'

(2) Depositories provide special services like pledge, hypothecation, internet based services etc. in addition to their core services and these include

Sr. No.	Type of Activity /Service	Brief about the Activity / Service
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1.	Value Added Services	Depositories also provide value added services such as a. Basic Services Demat Account(BSDA) [<i>link to be provided by Depositories</i>]¹ b. Transposition cum dematerialization [<i>link to be provided by Depositories</i>]² c. Linkages with Clearing System [<i>link to be provided by Depositories</i>]³ d. Distribution of cash and non-cash corporate benefits (Bonus, Rights, IPOs etc.), stock lending, demat of NSC / KVP, demat of warehouse receipts etc.
2.	Consolidated Account statement (CAS)	CAS is issued 10 days from the end of the month (if there were transactions in the previous month) or half yearly(if no transactions) .
3.	Digitalization of services provided by the depositories	Depositories offer below technology solutions and e-facilities to their demat account holders through DPs:

Sr. No.	Type of Activity /Service	Brief about the Activity / Service
		a. <u>E-account opening</u>: Details available on the link [<i>link to be provided by Depositories</i>]⁴ b. <u>Online instructions for execution</u>: Details available on the link [<i>link to be provided by Depositories</i>]⁵ c. <u>e-DIS / Demat Gateway</u>: Details available on the link [<i>link to be provided by Depositories</i>]⁶ d. <u>e-CAS facility</u>: Details available on the link [<i>link to be provided by Depositories</i>]⁷ e. <u>Miscellaneous services</u>: Details available on the link [<i>link to be provided by Depositories</i>]⁸

5. Details of Grievance Redressal Mechanism

The Process of investor grievance redressal

1.	Investor Complaint/ Grievances	Investor can lodge complaint/ grievance against the Depository/DP in the following ways: a. Electronic mode - (i) SCORES 2.0 (a web based centralized grievance redressal system of SEBI) [<i>link to be provided by Depositories</i>] <u>Two Level Review for complaint/grievance against DP:</u> - First review done by Designated Body - Second review done by SEBI (ii) Respective Depository's web portal dedicated for the filing of complaint [<i>link to be provided by Depositories</i>] (iii) Emails to designated email IDs of Depository [<i>link to be provided by Depositories</i>] b. Offline mode [<i>details of link to the form to be provided by Depositories</i>] The complaints/ grievances lodged directly
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		with the Depository shall be resolved within 21 days.
2.	Online Resolution	Dispute (ODR) If the Investor is not satisfied with the resolution provided by DP or other Market Participants, then

	platform for online Conciliation and Arbitration	the Investor has the option to file the complaint/ grievance on SMARTODR platform for its resolution through by online conciliation or arbitration. [SMARTODR link to be provided by Depositories]
3.	Steps to be followed in ODR for Review, Conciliation and Arbitration	➤ Investor to approach Market Participant for redressal of complaint ➤ If investor is not satisfied with response of Market Participant, he/she can escalate the complaint on SEBI SCORES portal. ➤ Alternatively, the investor may also file a complaint on SMARTODR portal for its resolution through online conciliation and arbitration. ➤ Upon receipt of complaint on SMARTODR portal, the relevant MII will review the matter and endeavour to resolve the matter between the Market Participant and investor within 21 days. ➤ If the matter could not be amicably resolved, then the Investor may request the MII to refer the matter case for conciliation. ➤ During the conciliation process, the conciliator will endeavor for amicable settlement of the dispute within 21 days, which may be extended with 10 days by the conciliator. ➤ If the conciliation is unsuccessful, then the investor may request to refer the matter for arbitration. ➤ The arbitration process to be concluded by arbitrator(s) within 30 days, which is extendable by 30 days.

6. Guidance pertaining to special circumstances related to market activities: Termination of the Depository Participant

Sr. No.	Type of special circumstances	Timelines for the Activity/ Service
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1.	Depositories to terminate the participation in case a participant no longer meets the eligibility criteria and/or any other grounds as mentioned in the bye laws like suspension of trading member by the Stock Exchanges.	Client will have a right to transfer all its securities to any other Participant of its choice without any charges for the transfer within 30 days from the date of intimation by way of letter/email.
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Sr. No.	Type of special circumstances	Timelines for the Activity/ Service
	Participant surrenders the participation by its own wish.	

7. **Dos and Don'ts for Investors** *[link to be provided by the Depositories]*

Sr. No.	Guidance
i.	Always deal with a SEBI registered Depository Participant for opening a demat account.
ii.	Read all the documents carefully before signing them.
iii.	Before granting Power of attorney to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
iv.	Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
v.	Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips. Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker and it should be signed by all demat account holders. Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s). Do not leave your instruction slip book with anyone else. Do not sign blank DIS as it is equivalent to a bearer cheque.

vi.	Inform any change in your Personal Information (for example address or Bank Account details, email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
vii.	Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
vii i.	Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
ix.	Do not share password of your online trading and demat account with anyone.
x.	Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
xi.	Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
xii.	Demat is mandatory for any transfer of securities of Listed public limited companies.
Sr. No.	Guidance
xii i.	If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or you may lodge the same with SEBI online at https://scores.sebi.gov.in
xi v.	Keep a record of documents signed, DIS issued and account statements received.
xv.	As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform the DP or your respective Depository.
xv i.	Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
xv ii.	Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
xv iii.	Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
xi x.	Do not follow herd mentality for investments. Seek expert and professional advice for your investments
xx.	Beware of assured/fixed returns.

8. Rights of investors *[link to be provided by the Depositories]*

- i. Receive a copy of KYC, copy of account opening documents.
- ii. No minimum balance is required to be maintained in a demat account.
- iii. No charges are payable for opening of demat accounts.
- iv. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. You have the right to revoke any authorization given at any time.
- v. You can open more than one demat account in the same name with single DP/ multiple DPs.
- vi. Receive statement of accounts periodically. In case of any discrepancies in statements, take up the same with the DP immediately. If the DP does not respond, take up the matter with the Depositories.
- vii. Pledge and /or any other interest or encumbrance can be created on demat holdings.
- viii. Right to give standing instructions with regard to the crediting of securities in demat account.
- ix. Investor can exercise its right to freeze/defreeze his/her demat account or specific securities / specific quantity of securities in the account, maintained with the DP.
- x. In case of any grievances, Investor has right to approach Participant or Depository or SEBI for getting the same resolved within prescribed timelines.

- xi. Every eligible investor shareholder has a right to cast its vote on various resolutions proposed by the companies for which Depositories have developed an internet based 'e-Voting' platform.
- xii. Receive information about charges and fees. Any charges/tariff agreed upon shall not increase unless a notice in writing of not less than thirty days is given to the Investor.
- xiii. Right to indemnification for any loss caused due to the negligence of the Depository or the participant.
- xiv. Right to opt out of the Depository system in respect of any security.

9. Responsibilities of Investors *[link to be provided by the Depositories]*

- i. Deal with a SEBI registered DP for opening demat account, KYC and Depository activities.
- ii. Provide complete documents for account opening and KYC (Know Your Client). Fill all the required details in Account Opening Form / KYC form in own handwriting and cancel out the blanks.
- iii. Read all documents and conditions being agreed before signing the account opening form.
- iv. Accept the Delivery Instruction Slip (DIS) book from DP only (preprinted with a serial number along with client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS.
- v. Always mention the details like ISIN, number of securities accurately.
- vi. Inform any change in information linked to demat account and obtain confirmation of updation in the system.
- vii. Regularly verify balances and demat statement and reconcile with trades / transactions.
- viii. Appoint nominee(s) to facilitate heirs in obtaining the securities in their demat account.
- ix. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

10. Code of Conduct for Depositories *[link to be provided by the Depositories]*
(Part D of Third Schedule of SEBI (D & P) regulations, 2018)

A Depository shall:

- (a) always abide by the provisions of the Act, Depositories Act, 1996, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.
- (b) adopt appropriate due diligence measures.
 take effective measures to ensure implementation of proper risk management framework and good governance practices.

- (c) take appropriate measures towards investor protection and education of investors.
- (d) treat all its applicants/members in a fair and transparent manner.
- (e) promptly inform the Board of violations of the provisions of the Act, the Depositories Act, 1996, rules, regulations, circulars, guidelines or any other directions by any of its issuer or issuer's agent.
- (f) take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of depository's systems and the securities market.
- (g) endeavor for introduction of best business practices amongst itself and its members.
- (h) act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
- (i) not indulge in unfair competition, which is likely to harm the interests of any other Depository, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.
- (j) segregate roles and responsibilities of key management personnel within the depository including
 - a. Clearly mapping legal and regulatory duties to the concerned position
 - b. Defining delegation of powers to each position
 - c. Assigning regulatory, risk management and compliance aspects to business and support teams
- (k) be responsible for the acts or omissions of its employees in respect of the conduct of its business.
- (l) monitor the compliance of the rules and regulations by the participants and shall further ensure that their conduct is in a manner that will safeguard the interest of investors and the securities market.

11. Code of Conduct for Participants *[link to be provided by the Depositories]*
(Part A of Third Schedule of SEBI (D & P) regulations, 2018)

1. A participant shall make all efforts to protect the interests of investors.
2. A participant shall always endeavour to—
 - (a) render the best possible advice to the clients having regard to the client's needs and the environments and his own professional skills;
 - (b) ensure that all professional dealings are effected in a prompt, effective and efficient manner;
 - (c) inquiries from investors are adequately dealt with;
 - (d) grievances of investors are redressed without any delay.
3. A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.
4. A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialisation request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.
5. A participant shall endeavour to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.
6. A participant shall not increase charges/fees for the services rendered without proper advance notice to the beneficial owners.
7. A participant shall not indulge in any unfair competition, which is likely to harm the interests of other participants or investors or is likely to place such other participants in a disadvantageous position while competing for or executing any assignment.

8. A participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
9. A participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval/authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
10. A participant shall co-operate with the Board as and when required.
11. A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
12. A participant shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.
13. A participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded/requested from time to time.
14. A participant shall ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, Rules, regulations, directions of the Board or of any other regulatory body.
15. A participant shall maintain proper inward system for all types of mail received in all forms.
16. A participant shall follow the maker—Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.
17. A participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.
18. A participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
19. A participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.
20. A participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.
21. A participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.
22. A participant shall ensure that good corporate policies and corporate governance are in place.

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MEMBER: NSE, BSE | DP: CDSL



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