



**STEWART &
MACKERTICH**
LEGACY | TRUST | GROWTH

Mandatory & Non Mandatory Document Booklet



Stewart & Mackertich Wealth Management Limited

Stock Broking ♦ Depository ♦ Portfolio Management ♦ Research

4, Lee Road (Satyajit Ray Dharani), Vaibhav, 5th Floor, Kolkata - 700 020

Phone : +91 33 3051 5400 / 4011 5400, Fax : +91 33 2289 3401

Website : www.smifs.com | E-mail : investors@smifs.com

STEWART & MACKERTICH WEALTH MANAGEMENT LTD.

INDEX

MANDATORY & VOLUNTARY DOCUMENTS

Sl. No.	Name of the Document	Brief Significance of the Document	Page No.
MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES			
1.	Instruction\ Checklist for filling KYC Form		3 - 8
2.	Rights and Obligations (Trading) - Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading)		9 - 18
3	Risk Disclosure Document (RDD) - Document detailing risks associated with dealing in the securities market		19 - 26
4.	Guidance Note - Document detailing do's and don'ts for trading on exchange, for the education of the investors		27 - 30
5.	Mandatory Policies and Procedures - Document describing significant policies and procedures of Stewart & Mackertich Wealth Management Limited		31 - 58
6.	Anti- Money Laundering Awareness - Understanding for clients about AML		59 - 61
7.	General Information from Depository Participants (CDSL) and (NSDL)		62-68
8.	Rights and Obligations (DP) - Right & Obligations of Beneficial Owner and Depository Participant prescribed by SEBI and Depositories.		69-73

Sl. No.	Name of the Document	Brief Significance of the Document	Page No.
VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER			
9	Non-Mandatory Policies and Procedures - Document describing significant non-mandatory policies and procedures of Stewart & Mackertich Wealth Management Limited		74 - 81
KYC DOCUMENT BOOKLET & DECLARATION			
10	KYC Document Booklet & Declaration for opening Trading and / or Depository Account		82 - 84

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM**A. IMPORTANT POINTS:**

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

corporations, important political party officials, etc.

B. PROOF OF IDENTITY (POI): - LIST OF DOCUMENTS ADMISSIBLE AS PROOF OF IDENTITY:

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

C. PROOF OF ADDRESS (POA): - LIST OF DOCUMENTS ADMISSIBLE AS PROOF OF ADDRESS:

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

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

7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. EXEMPTIONS/CLARIFICATIONS TO PAN:

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

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

E. LIST OF PEOPLE AUTHORIZED TO ATTEST THE DOCUMENTS:

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

F. IN CASE OF NON-INDIVIDUALS, ADDITIONAL DOCUMENTS TO BE OBTAINED FROM NON-INDIVIDUALS, OVER & ABOVE THE POI & POA, AS MENTIONED BELOW:

Types of entity	Documentary requirements
Corporate	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year). • Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations. • Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. • Copies of the Memorandum and Articles of Association and certificate of incorporation. • Copy of the Board Resolution for investment in securities market. • Authorised signatories list with specimen signatures.
Partnership firm	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered partnership firms only).
	<ul style="list-style-type: none"> • Copy of partnership deed. • Authorised signatories list with specimen signatures. • Photograph, POI, POA, PAN of Partners.
Trust	<ul style="list-style-type: none"> • Copy of the balance sheets for the last 2 financial years (to be submitted every year). • Certificate of registration (for registered trust only).

Types of entity	Documentary requirements
	<ul style="list-style-type: none"> • Copy of Trust deed. • List of trustees certified by managing trustees/CA. • Photograph, POI, POA, PAN of Trustees.
HUF	<ul style="list-style-type: none"> • PAN of HUF. • Deed of declaration of HUF/List of coparceners. • Bank pass-book/bank statement in the name of HUF. • Photograph, POI, POA, PAN of Karta.
Unincorporated association or a body of individuals	<ul style="list-style-type: none"> • Proof of Existence/Constitution document. • Resolution of the managing body & Power of Attorney granted to transact business on its behalf. • Authorized signatories list with specimen signatures.
Banks/ Institutional Investors	<ul style="list-style-type: none"> • Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. • Authorized signatories list with specimen signatures.
Foreign Institutional Investors (FII)	<ul style="list-style-type: none"> • Copy of SEBI registration certificate. • Authorized signatories list with specimen signatures.
Army/ Government Bodies	<ul style="list-style-type: none"> • Self-certification on letterhead. • Authorized signatories list with specimen signatures.
Registered Society	<ul style="list-style-type: none"> • Copy of Registration Certificate under Societies Registration Act. • List of Managing Committee members. • Committee resolution for persons authorised to act as authorised signatories with specimen signatures. • True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.

INSTRUCTIONS/CHECK LIST

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

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

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

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

RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS

As prescribed by SEBI and Stock Exchanges

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

CLIENT INFORMATION

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter;

including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

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

MARGINS

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

TRANSACTIONS AND SETTLEMENTS

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

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

BROKERAGE

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

LIQUIDATION AND CLOSE OUT OF POSITION

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

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

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

DISPUTE RESOLUTION

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a

member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.

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

ADDITIONAL RIGHTS AND OBLIGATIONS

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

trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/ or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made

through the secured access by way of client specific user id and password.

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

LAW AND JURISDICTION

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT

As prescribed by SEBI and Stock Exchanges

(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to

do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/ securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker

6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/ securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

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

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

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

It must be clearly understood by you that your dealings on Stock exchanges through a stock broker shall be subject to your fulfilling

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

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

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

1. BASIC RISKS:

1.1 Risk of Higher Volatility:

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

1.2 Risk of Lower Liquidity:

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity.

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

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

1.3 Risk of Wider Spreads:

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

1.4 Risk-reducing orders:

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

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

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

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

1.5 Risk of News Announcements:

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

1.6 Risk of Rumors:

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

1.7 System Risk:

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

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

1.7.2 Under certain market conditions, it may be difficult or impossible

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

1.8 System/Network Congestion:

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

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

2.1 Effect of "Leverage" or "Gearing":

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

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

- A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing

level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

2.2 Currency specific risks:

- 1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- 2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
- 3. Currency prices are highly volatile. Price movements for currencies

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

2.3 Risk of Option holders:

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

2.4 Risks of Option Writers:

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
3. Transactions that involve buying and writing multiple options in

combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

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

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

4. GENERAL

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

GUIDANCE NOTE

DO'S AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

BEFORE YOU BEGIN TO TRADE

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

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your

email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.

9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities as the case may be, may not be made to you within one working day from the receipt of payout from the Exchange. Thus the stock broker 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 gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

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

MANDATORY POLICIES AND PROCEDURES

These “**Mandatory Policies & Procedures**” of Stewart & Mackertich Wealth Management Limited (hereinafter referred to as Stewart & Mackertich) is in accordance to SEBI Circular dated 3rd December 2009. This document outlines various Policies and Procedures framed and followed by Stewart & Mackertich with respect to its dealings with its Clients as a Stock Broker on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) (collectively hereinafter referred as “the Exchanges”).

Stewart & Mackertich shall have right at its sole and absolute discretion to amend /change /revise any of the above said “Mandatory Policies and Procedures” at any time in future depending upon Regulatory changes, its risk management framework, other market conditions etc. and the same shall be binding on the Client forthwith. The said Policies and Procedures and any revision/updation in the same from time to time is /will be available in the official web site of Stewart & Mackertich.

Any action taken by Stewart & Mackertich in accordance with the “Mandatory Policies and Procedures” mentioned herein above can not be challenged by the Client and Stewart & Mackertich shall not be liable to the Client for any loss or damage (actual/notional), which may be caused to the Client as a result.

(I) REFUSAL OF ORDERS OF PENNY STOCKS:

Penny Stocks and/or Illiquid Stocks /Contracts /Options are risky investments due to thin liquidity, greater volatility factor as well as they are infrequently traded on the stock exchanges. In view of the risks involved in dealing with Penny Stocks and/or Illiquid Stocks / Contracts /Options, Stewart & Mackertich would generally advise its Clients to desist from trading in them.

A Security may be treated as Penny Stocks and/or Illiquid Stocks / Contracts /Options if it falls in any one category as mentioned herein below:

- ❖ List of Illiquid Securities issued by the Exchanges periodically.
- ❖ Trade-to-Trade settlement.
- ❖ “Z” – Group.
- ❖ Illiquid Options /Far Month Options /Long Dated Options.
- ❖ Any other Securities /Contracts /Options as may be decided by

Stewart & Mackertich, which may be considered by Stewart & Mackertich in its sole discretion as volatile or have concentration risk at Client level or at the security level or any other reason.

SEBI has directed the Exchanges to draw up a list of illiquid securities based on criteria jointly agreed between BSE, NSE and SEBI and make it available to the trading members on a monthly basis and such list will be reviewed on a monthly basis.

As trading members have been advised by the Regulatory Authorities to exercise additional due diligence while trading in Penny Stocks and/ or Illiquid Stocks /Contracts /Options, Stewart & Mackertich would have exclusive rights and prerogative to refuse and/or to accept such orders with regard to Penny Stocks and/or Illiquid Stocks /Contracts / Options, notwithstanding the fact that the Client has adequate credit balance or margin available in his/her/its account and/or the Client had previously purchased or sold such securities through Stewart & Mackertich.

Stewart & Mackertich may permit restrictive acceptance of orders in such scrips in controlled environments like asking the Client to place orders at a centralized desk at Head Office instead of allowing trading in such scrips at Branch Level. Stewart & Mackertich shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the Client. Stewart & Mackertich may cancel orders in such scrips received from Clients before execution or after partial execution without assigning any reasons thereof. Stewart & Mackertich may take appropriate declarations from the Clients before accepting such orders. Stewart & Mackertich would be free to charge upfront payment for the purchase transaction in penny Stocks as well as upfront delivery in case of sale transactions of such Penny Stocks and/or Illiquid Stocks /Contracts /Options.

Refusal To Accept Buy And /Or Sell Orders At Abnormal Prices:

Regulatory Authorities and Stock Exchanges have come across instances, where a Client /set of Clients were observed to be executing matched trades in illiquid securities and/or future contracts and/or options contracts reversing transactions with significant variation in prices between first and reversing trades. Such trades were executed at prices, which apparently had no relation to the price of underlying security at that point of time. Precisely the modus operandi taken in such trades wherein one Client /set of Clients trading through a particular trading member would incur a loss and the counter party Client trading through another trading member would earn a profit. In

most of the cases, one or both legs of transactions were away from the current market price. Some of the trading members reported that the Clients who suffered losses failed to meet their obligations.

Regulatory Authorities and Stock Exchanges have come across instances, where a Client /set of Clients were observed to be executing large transactions in the form of block deals executed in certain scrips in the stock exchanges, which prima-facie, appear to have been negotiated in advance between the parties and then put through the Stock Exchange mechanism in a synchronized manner. Media reports appearing on the subject have also alleged that some of these transactions might have been executed by certain market participants with an ulterior motive to distort the fair price discovery in such scrips. Such market practices do not appear to be in conformity with the extant guidelines /regulations of SEBI /Stock Exchanges.

Such types of transactions, mentioned herein above are under the regulatory purview and are hence, being scrutinized by the stock exchanges and SEBI, concurrently. SEBI /Stock Exchanges may take punitive action for any possible violation of the provisions of the extant guidelines /regulations of SEBI /stock exchanges against the market participants who indulge in such type of transactions.

As trading members have been advised by the Regulatory Authorities to exercise additional due diligence while trading in these securities, orders placed in such securities would be executed upon the sole discretion of Stewart & Mackertich.

Stewart & Mackertich would have exclusive rights and prerogative to refuse and/or to accept such orders with regard to Penny Stocks and/or Illiquid Stocks /Contracts /Options and/or order and /or orders which, prima facie appear to be non-genuine, notwithstanding the fact that the Client has adequate credit balance or margin available in his/her/ its account and/or the Client had previously purchased or sold such securities/contracts through Stewart & Mackertich.

In view of the above, the Client(s) would not be allowed to place both buy and sell orders at abnormal prices and /or price differences in the Cash Market Segment, Future Market Segment and in case of option contracts, that might not have any relevance to the movement in prices in underlying securities at that point of time.

Stewart & Mackertich may permit restrictive acceptance of orders in such Penny Stocks and/or Illiquid Stocks /Contracts /Options in controlled environments like asking the Client to place orders at a

centralized desk at Head Office instead of allowing trading in such Penny Stocks and/or Illiquid Stocks /Contracts /Options at Branch Level. Stewart & Mackertich shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the Client. Stewart & Mackertich may cancel orders in such Penny Stocks and/or Illiquid Stocks /Contracts /Options received from Clients before execution or after partial execution without assigning any reasons thereof. Stewart & Mackertich may take appropriate declarations from the Clients before accepting such orders.

(II) SETTING UP CLIENT'S EXPOSURE LIMIT:

Stewart & Mackertich broadly takes into consideration the regulatory requirement, Client profile, internal risk management policy, market conditions etc., while setting up the exposure limits for and on behalf of its Clients. The exposure limits for a Client would be set up considering the following parameters:

- (i) Exposure Limits to the Client will be provided based on the available margin in the Securities Account of the Client, maintained with Stewart & Mackertich.
- (ii) The Client is not entitled to trade without adequate margin/security and that it shall be his/her/its responsibility to ascertain in advance the margin/security requirements for his/her/its orders/trades/deals and to ensure that the required margins/security is made available to Stewart & Mackertich, in such form and manner as may be required by Stewart & Mackertich.
- (iii) The Client would have to maintain "upfront margin" in the form of Cash, Approved Securities and Bank Guarantee(s) for availing trading exposures in the Capital Market Segment and in the Derivative - Futures Market Segment.
- (iv) The Exposure Limit will be a certain multiple of the available margin. Such multiplier will be as decided by Stewart & Mackertich from time to time and may vary from Client to Client.
- (v) Stewart & Mackertich may from time to time impose and vary limits on the orders that the Client can place through trading system of Stewart & Mackertich, including exposure limits, turnover limits, limits as to the number, value and/or kind of securities/contracts in respect of which orders can be placed, etc. Stewart & Mackertich may need to vary or reduce the limits or impose new limits urgently on the basis of the risk perception of Stewart & Mackertich and other factors considered relevant

by Stewart & Mackertich, including but not limited to limits on account of Exchange/Regulatory directions/limits (such as Broker Level /Market Level Limits in security/contract specific/volume specific exposures etc.) and Stewart & Mackertich may be unable to inform the Client of such variation, reduction or imposition in advance. Stewart & Mackertich shall not be responsible for such variation, reduction or imposition or the Clients inability to route any order through the Trading System of Stewart & Mackertich on account of any such variation, reduction or imposition of limits.

- (vi) On a case-to-case basis Stewart & Mackertich at its sole and absolute discretion, may allow higher exposure limits to the Client. Stewart & Mackertich shall have the prerogative to allow differential purchase and sell limits varying from Client to Client, depending upon credit worthiness, integrity and past conduct of each Client. Stewart & Mackertich shall have the prerogative to determine and prescribe rules for exposure limits and intra-day trading and any other product as well as differential exposure limits for various segments.
- (vii) In case of Cash Segment, Stewart & Mackertich may at its sole and absolute discretion allow clean exposure limits upto certain amount to the Client without insisting for any credit balance and/or margin. Stewart & Mackertich shall decide the quantum of clean exposure limit. On case-to-case basis Stewart & Mackertich may at its sole and absolute discretion, give higher clean exposure limits to certain set of the Clients. Stewart & Mackertich reserves the right to withdraw clean exposure limit granted to the Client at any point of time at its sole and absolute discretion. The Client cannot raise any concern/dispute for the same.
- (viii) Available margin for the purpose of granting exposure is calculated as a sum of free credit balance of the Client in the books of Stewart & Mackertich, margin in the form of funds, securities of the Clients available with Stewart & Mackertich.
- (ix) The value of securities held in the demat account of the Client for which Power of Attorney is granted in favour of Stewart & Mackertich may be taken into consideration by Stewart & Mackertich at its sole and absolute discretion, for the purpose of granting exposure to the Clients. Stewart & Mackertich reserves the right to withdraw such basis to provide exposure limit, granted to the Client at any point of time at its sole and absolute

discretion. The Client cannot raise any concern/dispute for the same.

- (x) The choice of the securities to be considered, as Stewart & Mackertich shall determine margin at its sole discretion from time to time and the Client shall abide by the same. However, in respect of transactions in the Derivative – Equity Futures Segment, the list of Approved Securities, considered for maintaining margin, would be similar to that of list decided by the respective Stock Exchanges from time to time and /or as per the list decided by the sole discretion of Stewart & Mackertich.
- (xi) While granting the exposure limit, margin in the form of securities, will be valued as per the latest available closing price on NSE or BSE or CSE after applying appropriate haircut as may be decided by Stewart & Mackertich at its sole discretion.
- (xii) Stewart & Mackertich may from time to time depending on market conditions, profile and history of the Client, types and nature of scrip, etc. at its sole discretion charge/change the rate of haircut applicable on the securities given as margin, multiplier for granting exposure in Cash /Derivative segments and take such steps as Stewart & Mackertich may deem fit and appropriate.
- (xiii) If the order of the Client is executed despite a shortfall in the available margin, Stewart and Mackertich shall, intimate such shortfall of Margin and the Client undertakes to makeup for such shortfall immediately on the day of the trade. 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 account of the Client) and/or any claim/loss or damage arising out of the non-availability/shortage of margin or securities required by Stewart & Mackertich and/or Exchange and/or regulator.
- (xiv) Stewart & Mackertich is entitled to vary the form (i.e. the replacement of the margin/security in one form with the margin or security in any other form, say, in the form of money instead of shares) and/or security required to be deposited/made available, from time to time. The margin or security deposited by the Client with Stewart & Mackertich is not eligible for any interest unless specifically agreed to.
- (xv) Stewart & Mackertich is entitled to include/appropriate any/all pay-out of funds and/or securities towards margin/securities

without requiring specific authorizations for each pay-out. Stewart & Mackertich is entitled to transfer funds and/or securities from his account for one exchange and/or one segment of the exchange to his/her/its account for another exchange and/or other segment of the same exchange whenever applicable and found necessary by Stewart & Mackertich. The Client also agrees and authorizes Stewart & Mackertich to trade/adjust his/her/its margin/security lying in one Exchange and/or one segment of the Exchange/towards the margin/security/pay-in requirements on other exchange and/or another segment of the exchange.

- (xvi) In case the Client makes the payment of the margin/security/settlement obligation/debit in account through a Bank Instrument, Stewart & Mackertich 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 Stewart & Mackertich.
- (xvii) Where the margin/security is made available by way of securities or any other property, Stewart & Mackertich is empowered to decline its acceptance as margin/security and/or to accept it at such reduced value as Stewart & Mackertich may deem fit by applying hair-cuts or by valuing it by marking it to market or by any other method as Stewart & Mackertich may deem fit in its absolute discretion.
- (xviii) The formats provided by the Clearing Corporation of the respective Stock Exchanges and /or decided by Stewart & Mackertich for the issuance of Bank Guarantee(s) favouring Stewart & Mackertich and /or the Clearing Corporation of the respective Stock Exchanges, would be considered for maintaining margin.
- (xix) The Client will have to abide by the exposure limit set by Stewart & Mackertich.

Stewart & Mackertich has devised separate procedures for setting up of Client's Exposure Limits for different market segments. These procedures for various market segments are as follows:

The following methodology would be adhered for the purpose of calculating "Avail Exposure" for trading exposure in the **CAPITAL MARKET SEGMENT**:

"Available Cash Balance in Margin Ledger of Capital Market Segment
ADD Value of Securities maintained in Margin Account of Capital

Market Segment after applicable Haircut on previous days close ADD Available Free Credit Balances in Ledger Account of Capital Market Segment LESS 15% Markup Debit on Outstanding Un-cleared Sale / Purchase Obligations in the Capital Market Segment”

The Trading Exposure would be a multiple of the “Available Exposure” and such multiple would be decided by the sole discretion of Stewart & Mackertich. In case of wide fluctuations in the stock prices and volatility, the standard Haircut on Securities Value maintained in Margin Account as well as 15% Markup Debit on Outstanding Un-cleared Sale /Purchase Obligations can be changed at the sole discretion of Stewart & Mackertich.

The following methodology would be adhered for the purpose of calculating “Avail Exposure” for trading in the **DERIVATIVE - FUTURES MARKET SEGMENT**:

“Available Cash Balance in Margin Ledger in the Derivative Market Segment ADD Value of Securities maintained in Margin Account of Derivative Market Segment after applicable Haircut on previous days close ADD Available Free Balances in Ledger Account of Derivative Market Segment”

The Trading Exposure in the Derivative - Futures Market Segment(s) would be based on the Initial Margin and Exposure Margin as levied by the respective Stock Exchanges based on the VAR Margin percentage of individual indices and stocks. In case of wide fluctuations in the stock prices and volatility, the standard Haircut on Securities Value maintained in Margin Account can be revised upwards at the sole discretion of Stewart & Mackertich.

As per the present Exchange requirements, the Member Broker is required to maintain a 50:50 ratio between cash and collateral margin deposited with the Exchange. Stewart & Mackertich shall therefore have the prerogative to insist for margin in the similar ratio as mandated by the Exchange from its Clients and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall. Sales made in capital market segment are not considered on “T” & “T+1” day, while calculating margins on Derivative positions.

The following methodology would be adhered for the purpose of calculating “Avail Exposure” for trading exposure in the **DERIVATIVE - OPTIONS MARKET SEGMENT**:

“Available Cash Balance in Margin Ledger in the Derivative Market

Segment ADD Available Free Balances in Ledger Account of Derivative Market Segment”

The Trading Exposure would be based on the premium value payable to the respective Stock Exchange upon “Purchase of Options”. The Trading Exposure would be based on the Initial Margin and Exposure Margin as levied by the respective Stock Exchanges based on the VAR Margin percentage of individual indices and stocks, upon “Sale of Options”. The Clients(s) would have to maintain “upfront margin” in the form of Cash for availing trading exposures in the Derivative - Options Market Segment(s).

(III) APPLICABLE BROKERAGE RATES:

The brokerage rates fixed by Stewart & Mackertich are function of the quality of cost of services provided to the Client and the volume and revenue expected from an account. Brokerage shall be applied as per the rates agreed upon with the Client in the KYC at the time of registration of the Client and subsequently through a written agreement between the Client and Stewart & Mackertich. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange/SEBI Laws. Where the sale/purchase value of a share is Rs. 10/- or less in Capital Market Segment, maximum brokerage of 25 paise per share may be collected.

Stewart & Mackertich shall review the Brokerage rates from time to time and may be increased/decreased with prospective effect at a written notice of 15 days sent to the e-mail address or postal address of the Client registered with Stewart & Mackertich.

Stewart & Mackertich shall charge brokerage for option contracts on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract and brokerage on options contracts shall not exceed 2.5% of the premium amount or Rs 100/- whichever is higher.

Stewart & Mackertich may charge a minimum service charge including brokerage of Rs. 25/- per contract note issued to Client for transactions in NSE Capital Market Segment, NSE Derivative Market Segment and BSE Capital Market Segment, separately. However the Transaction Charges levied by the respective Stock Exchanges, Statutory Levies of Government and Regulatory Authorities would be over and above the minimum sum of Rs. 25/-, charged to the contract note.

No brokerage would be charged on Auction Trades, however applicable charges, viz. penalty charges, auction difference, etc., levied by the

respective Stock Exchanges as may be debited to Stewart & Mackertich, would be debited to account of the Client.

In case of any violation of the position limits with regard to the transactions in derivative market segment, penalties are levied as stipulated under Bye Laws, Rules and Regulations of the Stock Exchanges and Clearing Corporations, and such penalties and charges, debited to Stewart & Mackertich, would be debited to account of the Client.

All Statutory Charges presently applicable and /or would be applicable in future, under various legislation of Central Government, State Government, Regulatory Authorities, Stock Exchanges and /or any Public Authorities, would be charged and collected from the Client. The Brokerage will be exclusive of the following except in cases where it is agreed otherwise:

- (i) Service Tax and Education Cess.
- (ii) SEBI/Exchange/Clearing Member Charges
- (iii) Stamp Duty
- (iv) Statutory Charges payable to Exchange/SEBI/Government Authorities.
- (v) Any Other Charges towards customized /specialized service.

(IV) IMPOSITION OF PENALTY /DELAYED PAYMENT CHARGES:

Delayed Payment Charges:

Pursuant to Exchange Bye-Laws, the Member Broker is currently required to compulsorily settle funds and securities within the stipulated time period as notified by the Exchanges for any transactions executed by a Client in any of the respective Stock Exchanges and /or market segments.

Further the Member Broker is also required to maintain adequate upfront margins with the Exchange to avail exposure for Trading. The Exchanges have also defined the ratios in which the Cash and Collaterals are to be deposited and maintained by the Member Broker. In addition the Exchange requires the member broker to deposit some of the margins like Mark-To-Market (MTM), cash only.

Under the circumstances, the Client shall settle all obligations with regard to Funds and Securities before the pay-in deadline as notified by the Exchanges for any transactions executed by the Client in any of the respective Stock Exchanges and /or market segments, where the Client shall deal. That in case the Client fails to settle the obligations with

regard to funds and securities before the stipulated pay-in deadline as notified by the Exchanges for any transactions executed by the Client in any of the respective Stock Exchanges and /or market segments, Stewart & Mackertich would be at liberty to do the following:

- (i) Withhold payout of securities in the Hold Back Account of Stewart and Mackertich for the securities purchased by the Client, for which the Client has not settled fund obligations.
- (ii) Charge delayed payment penalty charges @ 18% per annum for the number of days of failure by the Client with regard to settlement of funds. The number of days of default would be determined from the pay-in day.
- (iii) Withhold payout of funds in case a part of securities have remained undelivered /unsettled before pay-in deadline against sale obligations of the Client, till auction pay-in and pay-outs settlement.

Delayed payment penalty charges are only a penal measure. The Client should not construe it as a funding arrangement and shall not demand continuation of service on a permanent basis, citing levy of delayed payment charges.

Stewart & Mackertich is authorized by the Client to charge a delayed payment penalty charges @ 18% per annum where the Client takes exposure in the Derivative Segment by depositing collaterals in a ratio which is disproportionate to the cash versus collaterals ratio prescribed by the Exchanges.

While levying delayed payment charges or interest on the debit balance in the running account of the Client, Stewart & Mackertich will not consider any credit balance in the other family or group account of the Client.

The Client is entitled to forthwith release of funds lying credit to its ledger, on pay-out. In case the Client has authorized Stewart & Mackertich to maintain a running ledger account in writing, a written request to the Branch In-charge of Stewart & Mackertich, is to be made for the release of funds. Such release of funds would be however subject to un-discharged liabilities of the Client. In case Stewart & Mackertich fails to discharge its responsibilities with regard to funds pay-out due and payable to the Client, it would attract an interest penalty of 18% per annum for the number of days of delay of such fund settlement, payable by Stewart & Mackertich from the date of the pay-out and/or the date of receipt of specific request from the Client

for such settlement.

Imposition of Penalties:

The Exchange/Clearing Corporation/SEBI levies penalties on the Member Broker for irregularities observed by them during the course of business. Stewart & Mackertich shall recover such imposed penalties/levies, if any, by the Exchange/Regulators, from the Client, which arise on account of dealings by such Client. Violations for which penalties may be levied are as follows:

- (i) Auction of Securities pursuant to short deliveries/non deliveries against sale by the Client.
- (ii) Short Margin reporting in the Derivative Market Segment.
- (iii) Any Other Reasons which the Exchanges/Clearing Corporation/SEBI may specify from time to time.

Such recovery would be accounted by way of debit in the ledger of the Client and amounts would be adjusted against the dues.

The trading activity of the Client should not be aimed at disturbing market equilibrium or manipulating market prices etc. If the Client does so, Stewart & Mackertich may keep in abeyance the pay-out of funds and/or securities till such time that the Client has been able to clearly demonstrate that his/her/its actions were not malafide in any manner.

Stewart & Mackertich may impose fines/penalties for any orders/trades/deals/actions of the Client which are contrary to any of 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 Stewart & Mackertich 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 Clients the same shall be borne by the Client.

If the Client gives orders/trades in the anticipation of the required securities being available subsequently for pay-in through anticipated pay-out from the exchange or through borrowings or any off-market deliveries or market deliveries and if such anticipated availability does not materialize in actual availability of securities/funds for pay-in for any reason whatsoever including but not limited to any delays/shortages at the exchange or Broker level etc., the losses which may occur to the Client as a consequence of such shortages in any manner, such as on account of auctions/square-off/closing outs etc., shall be solely to the account of the Client and the Client agrees not to hold the

broker responsible for the same in any form or manner whatsoever. Without prejudice to the foregoing, the Client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

In case Open position (i.e. Short /Long) gets converted into delivery due to non-square off because of any reason whatsoever, the Client will provide securities/funds to fulfill the pay-in obligation failing which the Client will have to face auctions/internal close-outs, 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).

Stewart & Mackertich provide exposure against the upfront margin received in the form of Cash/Collateral from the Client and the Client also has the prerogative to demand withdrawal of cash and Collaterals at its discretion. The Client will not be entitled to any interest or other benefit on the credit balance/surplus margin available/kept with Stewart & Mackertich.

(V) RIGHT TO SELL CLIENT'S SECURITIES OR CLOSE CLIENT'S POSITION:

The Client needs to furnish adequate margin as specified by Stewart & Mackertich from time to time from its sole and absolute discretion. It shall be the responsibility of the Client to ascertain in advance the margin requirement for its order/trades/deals and to ensure that the required margin is made available to Stewart & Mackertich in such form and manner as may be required by Stewart & Mackertich.

The margin will have to be paid within the time frame stipulated by the Exchanges or Stewart & Mackertich, generally in case of fresh positions upfront, in case of Mark-to-Market and/or any other additional margins before the commencement of trading on next trading day and in case where the exchanges levy and/or increase any margin required during the day, immediately upon levy and/or increase in any such margin.

The Client shall fulfill all its settlement obligations within the time frame, stipulated by Stewart & Mackertich or the Exchanges, whichever is earlier. The Client shall ensure timely availability of funds/securities in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting its pay-in obligations of funds and securities. Stewart & Mackertich shall not be responsible for any claim/loss/damage arising out of non-availability/short-availability of funds/securities by the Client in the designated account(s) of Stewart & Mackertich for meeting the pay-in obligation of either funds or securities.

Stewart & Mackertich shall have right to sell securities of the Client, both on paid securities as well as collaterals deposited towards margins, or close-out open positions of the Client, without giving notice to the Client where there is a delay/failure of the Client to meet the pay-in obligations and/or there is a failure of the Client to bring additional margins to cover the increase in risk in the dynamic market conditions.

As per the present Exchange requirements, the Member Broker is required to maintain a 50:50 ratio between cash and collateral margin deposited with the Exchange. Stewart & Mackertich shall therefore have the prerogative to insist for margin in the similar ratio as mandated by the Exchange from its Clients and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall and close the Derivative position where it finds the deviation. However, sales made in capital market segment are not considered while closing Derivative positions on T and T+1 basis due to margin shortfall.

Stewart & Mackertich has the right but not the obligation to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square-off time or when mark-to-market (MTM) percentage reaches or crosses stipulated margin percentage decided by Stewart & Mackertich. Stewart & Mackertich will have sole discretion to decide referred stipulated margin percentage depending upon the market conditions. Such margin percentage will be communicated from time-to-time orally or through e-mails or through its Trading Terminals, Branch representatives etc. However in the event of extreme volatility and/or open position (outstanding) of Client resulting in mark to market losses beyond margin percentage of Stewart & Mackertich anytime during the trading session, and/or positions of the Client or collateral being not saleable, thereby forcing Stewart & Mackertich liquidate any of the available positions of the Client and collateral same shall be done by Stewart & Mackertich during the course of Trading Session without recourse to the Client.

In the event of such Square-Off, the Client agrees to bear all the losses (actual or notional), financial charges, damages based on account of such liquidation/sale/closing-out on actual executed prices.

Stewart & Mackertich is entitled to prescribe the date and time by which the margin/security is to be made available and Stewart & Mackertich 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, Stewart & Mackertich shall have the right without any further notice or communication to the Client to take any one or more following steps:

- (i) To withhold any pay-out of funds/securities.
- (ii) To withhold/disable the trading of the Client.
- (iii) To liquidate one or more securities of the Client by selling the same in such manner and at such rate which Stewart & Mackertich 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.
- (iv) To liquidate/square-off partially or fully the position of sale and/or purchase in any one or more securities/contracts in such manner and at such rate which Stewart & Mackertich may decide in its absolute discretion.
- (v) To take any other steps, which in the given circumstances, Stewart & Mackertich may deem fit.

The Client agrees that the losses if any, on account of any one or more steps enumerated herein above been taken by Stewart & Mackertich, shall be borne exclusively by the Client alone and agrees not to question the reasonableness, requirements, timings, manner, form, pricing, etc., which are chosen by Stewart & Mackertich.

Stewart & Mackertich may follow the LIFO method for liquidation of securities but it may not be binding on it to follow this method in all cases.

Stewart & Mackertich shall have right to close-out any intra-day positions taken by the Client after a defined "Cut-Off" time as decided by Stewart & Mackertich. Such "Cut-Off" time will be communicated from time-to-time orally or through e-mails or through its Trading Terminals, Branch representatives etc.

In case of failure to comply with any provisions of the Bye Laws, Rules and Regulations of the Exchange /Clearing Corporation, requirements of the Exchange /Clearing Corporation including the requirements pertaining to the position limits as imposed by the relevant authority from time to time, the relevant authority may at its discretion, either on its own or on the advice from the Clearing Corporation, without notice close-out open positions to the extent possible or take any such measures or actions, as may be deemed fit from time to time. The Client shall not hold Stewart & Mackertich/Exchange(s) responsible for

losses, if any, on such measures or actions.

Stewart & Mackertich shall have the right to sell securities of the Client or Close-Out open positions of the Client but it shall not be under any obligations to undertake this exercise compulsorily. Stewart & Mackertich shall therefore not be under any obligation to compensate/ or provide reasons of any delay or omission on its part to sell securities of the Client or close open positions of the Client.

(VI) SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES:

Securities pay-in and pay-out are to be compulsorily settled as per the stipulated Exchange Settlement Calendar as notified by the Exchanges, for any transactions executed by the Clients in any of the respective Stock Exchanges and /or market segments.

In case a Client fails to deliver any one or more securities to the pre notified Depository Pool Account of Stewart & Mackertich in respect of the securities sold by the Client before the pay-in deadline notified by the Stock Exchange(s), such undischarged obligation of any one or more securities shall be deemed to auctioned and/or closed-out by the Stock Exchange and/or Internally Closed-Out by Stewart & Mackertich.

In case the undischarged obligation is overdue to the Stock Exchange for pay-in, the same would be auctioned and/or closed-out by the Stock Exchange at the auction price and/or close-out price, decided by the respective Stock Exchanges. The auction and/or the close-out would be accounted, at the auction price or close-out price on the date of auction pay-out, as may be debited to Stewart & Mackertich in respect of the securities delivered short by Stewart & Mackertich on behalf of its Clients, for the respective settlement to the extent traceable to the Client on failure of the Client to deliver such securities by the pay-in deadline. The accounting procedure would be conducted without any formal permission of the Client and as mandated, an Auction Contact Note with necessary annexures, would be issued to the Client on the Auction Date (which is notified by the Stock Exchange).

The loss, if any, on account of the auction and/or close-out shall be debited to the account of the seller Client and the Client shall not hold Stewart & Mackertich/Exchange(s) responsible and/or dispute for losses. Similarly the buyer Client shall not hold Stewart & Mackertich/ Exchange(s) responsible and/or dispute for the loss/notional loss, if any, arising on account of the close-out credited to his/her/its account.

In case the undischarged obligation is overdue to any other Client of

Stewart & Mackertich arising out of internal netting of trades, the same would be Internally Closed-Out by Stewart & Mackertich and charged to the defaulter seller and compensate the impacted purchaser. The basis of the Internal Closeout-Rate calculation would be the Valuation Price (as decided by the Stock Exchanges) plus 10%, where the Valuation Price means the closing rate of the previous day in the Capital Market Segment of the scheduled pay-in /pay-out date of the respective exchanges. The Internal Close-Out would be accounted, at the Internal Close-Out rate on the date of auction pay-out, as decided by Stewart & Mackertich in respect of the securities delivered short by the defaulter seller by the pay-in deadline. The accounting procedure would be conducted without any formal permission of the Client and as mandated, an Auction Contact Note with necessary annexures, would be issued to the Client on the Auction Date (which is notified by the Stock Exchange).

The loss, if any, on account of the Internal Close-Out shall be debited to the account of the seller Client and the Client shall not hold Stewart & Mackertich responsible and/or dispute for losses. Similarly the buyer Client shall not hold Stewart & Mackertich responsible and/or dispute for the loss/notional loss, if any, arising on account of the close-out credited to his/her/its account.

That if for any reason, schedule of pay-in and pay-out is modified, the aforesaid shall be applicable reckoning the actual date or pay-in and /or pay-out as the case may be by the respective Stock Exchange(s).

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

An illustrated list of circumstances in which Stewart & Mackertich may not allow the Client to take further positions or may Close/Liquidate a part or whole of the existing position of the Client are as follows:

- (i) Failure by the Client in providing sufficient/adequate margin(s) and/or insufficient/inadequate free credit balance available in the account of the Client.
- (ii) If the Client fails to deposit the margin/additional margin by the deadline or if an outstanding debit occurs in the account of the Client beyond the stipulated time period.
- (iii) If the Client fails to maintain, the requisite margin, in such form and manner, as may be specified by Stewart & Mackertich, from time-to-time.

- (iv) Settlement obligations are not paid by the Client within the time frame allowed by the Exchanges or as per the norms specified by Stewart & Mackertich from time-to-time at its sole and absolute discretion.
- (v) Securities falling in the category of Penny Stocks/Illiquid Stocks/ Contrats/Options as described in Policy (I) above.
- (vi) Trades, which apparently in the sole and absolute discretion of Stewart & Mackertich seems to be synchronized trades/circular trading/artificial trading/manipulative in nature, etc.
- (vii) In case any Relevant Authority is of the Opinion that a particular underlying no longer meets its requirements for Trading or is not eligible for Trading or if the Relevant Authority decided to discontinue trading in particular market segment for such reasons as it may deem fit and may in such circumstances impose restrictions on transactions that no new open positions can be taken in such underlying and/or contracts that have been previously introduced.
- (viii) In case any Relevant Authority may limit the transactions with regard to the total number of securities and/or contracts on a underlying that a single investor and /or group of investors acting in concert may take up and/or exercise during such time period as may be prescribed by the Relevant Authority from time to time.
- (ix) In case any Relevant Authority may at any time in its absolute discretion prescribe maximum long and /or short open positions for any Client and /or group of Clients with regard to quantity and /or value for any underlying and /or contract.
- (x) Any ban imposed on the Client by the Regulatory Authorities.
- (xi) The Client have been found in the opinion of Stewart & Mackertich of any misconduct, forgery, suppression of facts and falsification of information provided by the Client at the time of opening of the Trading Account with Stewart & Mackertich.
- (xii) Where name of the Client apparently resembles with the name appearing in the list of debarred entities published by SEBI/ Exchanges [where the information available for the debarred entity (other then name) is not sufficient enough to establish that the Client and such debarred entity are one and the same].
- (xiii) In case it is found in the opinion of Stewart & Mackertich, any terms and conditions, with regard to the Rights and Obligations and /or Policies & Procedures (both Mandatory and Voluntary),

signed by the Client at the time of opening the Securities Trading Account has been violated.

- (xiv) The Client fails to furnish documents/information as may be called for by Stewart & Mackertich from time-to-time as per regulatory requirement and/or as per its internal policy.
- (xv) The Client fails to comply with any provisions of the Bye Laws, Rules and Regulations of the Exchange /Clearing Corporation, requirements of the Exchange /Clearing Corporation and any Relevant Statutory & Regulatory Authorities.
- (xvi) In the event of death or insolvency or lunacy of the Client otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the Client has ordered to be bought or sold.
- (xvii) Depending on the market circumstances if Stewart & Mackertich is of the view that the positions of the Client are at risk then Stewart & Mackertich may close the existing position without waiting for the pay-in schedules of the exchanges.
- (xviii) In case in the opinion and sole discretion of Stewart & Mackertich, that such further position would be adverse and detrimental to the Compliance Requirement with regard to any provisions of the Bye Laws, Rules and Regulations of the Exchange /Clearing Corporation, requirements of the Exchange /Clearing Corporation and any Relevant Statutory & Regulatory Authorities.

Stewart & Mackertich may at any time at its sole discretion and without prior notice, prohibit or restrict the Clients ability to place orders or trade in securities/contract through Stewart & Mackertich, 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 or contracts which are not in the permitted list of Stewart & Mackertich/Exchange(s) /any other Regulatory Body or the order being outside the limits set by Stewart & Mackertich/Exchange and any other reasons which Stewart & Mackertich may deem appropriate in the circumstances. The Client shall not hold Stewart & Mackertich/Exchange(s) responsible for losses, if any on account of such refusal or due to delay caused by such review, etc. Stewart & Mackertich is also entitled to disable/freeze the accounts and/or trading facility/any other service facility, if, in the opinion of Stewart & Mackertich, the Client has committed a crime/fraud or has acted in contradiction of

these Policies and Procedures or/is likely to evade/violate any laws, rules, regulations, directions of a lawful authority whether Indian or Foreign or if Stewart & Mackertich so apprehends.

(VIII) TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST:

The Securities Trading Account of a Client may be temporarily suspended upon written request to Stewart & Mackertich. However, before placing such written request, the Client shall settle all outstanding obligations with respect to funds and securities payable to Stewart & Mackertich with respect to respective account. Request from a Client where no dues are outstanding would be processed within 7 working days from the date of receipt of the request.

The Securities Trading Account of a Client shall be closed on receipt of a written request of the Client. Client shall settle all dues before the account is closed. Request from a Client where no dues are outstanding would be processed within 7 working days from the date of receipt of the request.

In case the Client wants to revoke suspension or resume fresh business, the Client shall comply with all the formalities required with regard to updation of KYC Norms as required by Stewart & Mackertich/Stock Exchange.

(IX) DE-REGISTERING A CLIENT:

Without prejudice to rights and remedies available to Stewart & Mackertich under the Rights and Obligations signed by the Client, Stewart & Mackertich shall be entitled to suspend the account of the Client with immediate effect and if need be deregister the Client in any of the following circumstances:

- (i) Where the Client is inactive from more than 3 months.
- (ii) Where the Client has not cleared the naked or uncovered debits, which are more than 7 days old. Further, if there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable.
- (iii) Based on the recommendations made by the Branch Manager due to excessive speculations, un-cleared balances.
- (iv) Client lodges a complaint either directly with Stewart & Mackertich or through the Exchange relating alleged un-authorized trades being executed in the account.

- (v) On notices received from statutory, Government or Local Authorities and Income Tax, Service Tax, a Judicial or Quasi Judicial Authority, etc.
- (vi) On the death /lunacy or other disability of the Client.
- (vii) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking. If a receiver, administrator, liquidator has been appointed or has been allowed to be appointed of all or any part of the undertaking of the Client.
- (viii) If the Client being a partnership firm, has any steps taken by the Client and /or its partners for dissolution of the partnership. If the Client has taken or suffered to be taken any action for its reorganization, liquidation or dissolution.
- (ix) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the security. Non Updation of Communications details viz. e-mail id., Mobile Number, Land Line Details or it is found to be belonging to a third person.
- (x) If the Client suffers any adverse material change in its financial position or defaults any other terms and conditions with Stewart & Mackertich.
- (xi) If the Client is in breach of any term, condition or covenant with Stewart & Mackertich.
- (xii) If any of the covenant or warranty of the Client is incorrect or untrue in any material respect.
- (xiii) In case a Client fails to comply with any provisions of the Bye Laws, Rules and Regulations of the Exchange /Clearing Corporation, requirements of the Exchange /Clearing Corporation and any Relevant Statutory & Regulatory Authorities.
- (xiv) In case a Client fails to comply with regard to the timely settlement of Funds and Securities with regard to transaction in the respective Stock Exchanges and /or in the respective Market Segments.
- (xv) In case a Client have been found in the opinion of Stewart & Mackertich of any misconduct, forgery, suppression of facts and falsification of information provided by the Client at the time

of Opening of the Securities Trading Account with Stewart & Mackertich.

- (xvi) In case it is found in the opinion of Stewart & Mackertich that the Client has been violating any terms and conditions, with regard to the Rights and Obligations and /or Mandatory Declarations and / or Voluntary Declarations, signed and entered into by the Client and Stewart & Mackertich.
- (xvii) In case in the opinion and sole discretion of Stewart & Mackertich, that the relation and further continuation of business and /or association with the Client would be adverse and detrimental to the Compliance Requirement with regard to any provisions of the Bye Laws, Rules and Regulations of the Exchange /Clearing Corporation, requirements of the Exchange /Clearing Corporation and any Relevant Statutory & Regulatory Authorities.
- (xviii) If the actions 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. Where the Client indulges in any irregular trading activities like synchronized trading, price manipulation, trading in illiquid securities/options/contracts, self trades, trading in securities at prices significantly away from market prices, etc.
- (xix) If there is any commencement of a legal process against the Client under any law in force. Any enquiry/investigation is initiated by the Exchanges/Regulators and/or any regulatory body, against the Client. Any Regulatory action taken/initiated against the Client by the Exchanges/Regulator including but not limited to debarring the Client from assessing the Capital Market.
- (xx) Where name of the Client apparently resembles with the name appearing in the list of debarred entities published by SEBI/ Exchanges (where no information other than name is available). Name of the Client appears in database/websites of CIBIL, Watch Out Investors, World Check, etc. Further, the Client having suspicious background or linked with suspicious organization.
- (xxi) Where the Client is non-traceable, has pending disputes with Stewart & Mackertich, possibility of a default by the Client.
- (xxii) Physical Contract Notes are received back undelivered due to reasons like “no such person”, “addressee left”, refusal to accept mails, POD ‘s signed by the third persons, signature mismatch on POD’s or other reasons which may create suspicion, after close

out of open positions. Non Delivery of Account Statement sent by Stewart & Mackertich on periodic basis. Where Electronic Contract Notes failed (Bounced Mails) on more than 3 instances until Client submits and registers new e-mail ids.

- (xxiii) Any other circumstances leading to a breach of confidence in the Client for reasons like cheque bouncing or not furnishing the financial and other details as may be called for by Stewart & Mackertich from time to time, etc.
- (xxiv) Such other circumstances which in the sole opinion of Stewart & Mackertich warrants to de-register the Client.

Under any of the above circumstances, Stewart & Mackertich shall have the right to close out the existing open positions/contracts, sell/liquidate the margin (in any form) to recover its dues, if any, before de-registering the Client. The Client shall not challenge any action taken by Stewart & Mackertich in terms of this Policy and Stewart & Mackertich shall not be liable to the Client for any loss or damage (actual/notional), which may be caused to the Client as a result. Also while de-registering the Client, Stewart & Mackertich may retain certain amount/securities due/belonging to the Client for meeting any future losses, liabilities, penalties, etc. arising out of dealing of the Client with Stewart & Mackertich. In case if any securities retained by Stewart & Mackertich is sold/liquidated to recover any losses, liabilities, penalties, etc., Stewart & Mackertich shall have the sole authority to decide the mode, manner and the price at which to effect the sale of securities and the Client can not raise any disputes as to the manner, mode and the price at which the securities are sold by Stewart & Mackertich.

In any of the above circumstances, if the Client, is able to justify his/her/its innocence either by producing any record, document or otherwise to the full satisfaction of Stewart & Mackertich, Stewart & Mackertich may consider its decision of de-registering the Client. However in no circumstances any action taken by Stewart & Mackertich till the date of re-registration shall not be challenged by the Client and Stewart & Mackertich shall not be liable to the Client for any loss or damage (actual/notional), which may be caused to the Client as a result.

Notwithstanding any such de-registration, all rights, liabilities and obligations of Stewart & Mackertich and the Client arising out of and/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.

(X) POLICY FOR PREVENTION OF MONEY LAUNDERING (PMLA):

Money Laundering may be defined as cleansing of dirty money obtained from legitimate or illegitimate activities including drug trafficking, terrorism, organized crime, fraud and many other crimes with the objective of hiding its source and rendering it in legally usable form. It is any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources. The process of money laundering involves creating a web of financial transactions so as to hide the origin of and true nature of these funds.

To combat money-laundering activities, the Government of India enacted the Prevention of Money Laundering Act, 2002 (hereinafter referred to as the "Act") on January 17, 2003. The basic objective of the Act is three fold, viz.:

- ❖ To prevent, combat and control money laundering.
- ❖ To confiscate and seize the property obtained from the laundered money.
- ❖ To deal with any other issue connected with money laundering in India.

In terms of rules framed under the Act, inter alia, every intermediary, including stock-broker(s) and sub-broker(s) shall comply with the following:

- (i) Maintain a record of all transactions, the nature and value of which may be prescribed, whether such transactions comprise of single transaction or a series of transactions integrally connected to each other, and where such series of transactions take place within a month.
- (ii) Furnish information of transactions referred to in Clause (a) to the Director within such time as may be prescribed.
- (iii) Verify and maintain the records of the identity of all its Clients, in such a manner as may be prescribed.

In terms of rules made under the Act, all intermediaries shall maintain a record of the following:

- (i) All cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency.
- (ii) 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.

- (iii) All cash transaction 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.
- (iv) All suspicious transactions whether or not made in cash.
- (v) 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.

Securities and Exchange Board of India (SEBI) had laid down broad guidelines on Anti Money Laundering Standards. As per various Circulars from time to time, all the intermediaries registered with SEBI under Section 12 of the SEBI Act were advised to ensure that a proper policy framework on anti-money laundering measures was put in place. In the light of the above, circulars have also been issued by National Stock Exchange of India Ltd. (NSE) as well as by Bombay Stock Exchange Ltd. (BSE).

Under these circumstances the Board of Directors of Stewart & Mackertich Wealth Management Limited being an intermediary had in accordance with the above, adopted a policy framework on anti-money laundering measures, in order to protect the Company from being used by any person to launder money. The broad policies framed are as follows:

- (i) To follow thorough “Know Your Customer” (KYC) policies and procedures and strict In-Person verification of Clients in the day-to-day business and updation of both financial and personal records of the Clients periodically, at least once in a half-year.
- (ii) To take appropriate action, once suspicious activities is detected, and make report to designated authorities in accordance with applicable law /laid down procedures.
- (iii) To comply with applicable laws as well as norms adopted internationally with reference to the governing principles, broad guidelines and standards laid in “Prevention of Money Laundering Act, 2002 and circular issued by SEBI and exchanges thereof”.

In view of the above, Clients would extend the fullest possible co-operation with regard to compliance in the above matter on a continuous basis and would follow, fulfill and comply with requirements as laid by the regulatory authorities and /or the Relevant Authority to enjoy the continuous and un-interrupted services of Stewart & Mackertich.

Further as per KYC Updation policy laid by the regulatory authorities, viz. SEBI, NSE, BSE, FIU-IND the Trading Member needs to periodically review and update information provided by the Clients at the time of opening of Securities Trading Account with Trading Members. In view of the same, the Client shall fulfill such compliances by providing the necessary documents duly attested by the Client once in such time period as required under law, failing which the Trading account may be temporarily suspended by Stewart & Mackertich till such compliance(s) are fulfilled.

(XI) POLICY ON DORMANT/INACTIVE/IN-OPERATIVE ACCOUNTS:

Stewart & Mackertich, shall at regular intervals, review and analyse the Trading Accounts of the Clients and classify and flag them as **“Dormant”** or **“In-Active”** accounts based on the parameters defined below, as part of Customer Due Diligence. **“Dormant Account”** is an account, which is not presently used by the **“client”** for trading but is likely to be used in future. It would be the account where the client has executed no trades during the last six months OR for a period exceeding six months. **“Inactive Account”** is an account, which is not in for trading since a long time and is also not likely to be used by the client in near future. It would be the account where the client has not executed any trade for the last one-year OR for a period exceeding one-year.

Stewart & Mackertich shall exercise Caution & Due Diligence in respect of **“Dormant Account”** and/or **“Inactive Account”** to prevent any **“Error”** and/or **“Fraud”** due to their **“Dormant/In-Active”** status. These cautions would be exercised while:

(i) Resumption Of Trading:

The **“Dormant Account”** and **“In-Active Account”** may be temporarily suspended for trading and the Client would be allowed to place order only after the Branch Manager /Compliance Officer has satisfied himself/herself in respect of Identity and Bonafide of the client. The **“Dormant Account”** and **“In-Active Account”** account shall be reactivated for trading on receipt of application for reactivation from the client along with following necessary supporting documents such as: a) PAN Card, b) Latest Proof of Address as mandated under Rules and Regulations and c) Current Bank Account Statement. The client may be asked to visit the branch and submit the **“request letter”** for activation of trading account. Stewart & Mackertich shall carry out **“In-Person”** verification of the inactive clients and shall validate the supporting documents submitted by the clients with the originals. The trading

account may get reactivated within 7 working days of submission of application of re-activation with valid supporting documents.

(ii) Withdrawal Of Funds /Collaterals From “Inactive” Accounts:

Funds and securities to the credit of “Inactive” accounts shall be allowed to be withdrawn only on receipt of specific request of client, after due verification of supporting documents, to ensure that funds and securities are transferred only to bonafide beneficial owners.

(iii) Change Of Critical Client Details:

Request for change in critical client details like address, bank account, Demat account, email address, mobile /phone number, etc. shall be processed only after proper authentication of client on phone or “In-Person” verification of the client by the employees of Stewart & Mackertich.

(XII) PROPRIETARY TRADING POLICY:

Stewart & Mackertich does **NOT** undertake “Proprietary Trading” and if it does so, it shall inform the client through Circular /E-mail / Newspaper Advertisement etc.

(XIII) OTHERS

Stewart & Mackertich has taken utmost care in framing the Mandatory Policies as detailed above, ensuring that the same neither dilute the responsibility of Stewart & Mackertich nor it shall be in conflict with any of the clauses laid in the Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time. However without prejudice, if at a later date, if any of the clauses framed and detailed above by Stewart & Mackertich, in the opinion of the SEBI and/or Stock Exchange, reveal that it is in conflict of the Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time, then such clause(s) shall be treated as “NULL & VOID” and would stand withdrawn, forthwith.

A copy of all the documents executed by Client shall be given to the Client, free of charge within seven days from the date of execution of documents by the Client. Stewart & Mackertich is entitled and shall take acknowledgement of the Client for the receipt of the same. No term of this Policies & Procedures other than those prescribed by SEBI, shall be changed without the consent of the Client. Such change needs to be preceded by a notice of 15 days by Stewart & Mackertich.

Acceptance of Policies and Procedures by the Client stated and detailed above:

I/We have read and fully understood all the Policies and Procedures framed and detailed above by Stewart & Mackertich Wealth Management Limited, mentioned against points numbered “1” to “XIII”, enumerated in page numbers “31 to 58” and undertake to extend all co-operation for any other compliance requirements for the Trading Account maintained with Stewart & Mackertich Wealth Management Limited. Further, I/We have taken note of the fact that these Policies and Procedures may be amended/changed/revise by Stewart & Mackertich at any time in future and such amended/changed/revise Policy and Procedures will be made available on the official web-site of Stewart & Mackertich.

ANTI MONEY LAUNDERING AWARENESS

EDUCATING CLIENTS ABOUT AML PROVISIONS

This is must read/understood and to be complied by everybody dealing/desirous in dealing in Capital and /or Derivative (including Currency Derivative) Segment

1. Prevention of Money Laundering Act, 2002 (PMLA) is enacted to prevent the financing of terrorism and to prevent laundering of money i.e. to prevent legalizing or officializing or canalizing the money generated from illegal activities like the trafficking, organized crimes, hawala rackets and other serious crimes etc .
2. PMLA is a part of the Global measures being taken by all the countries under the initiatives of United Nations.
3. It is an obligation of individual/entities to whom PMLA is applicable, to report certain kind of transactions routed through them to Financial Intelligence Unit (FIU), a department specially set up to administer PMLA Under the Ministry of Finance.
4. PMLA is, inter-alia, applicable to various intermediaries which includes stock brokers, commodity brokers, sub-brokers, authorized person and depository participant etc.
5. As per PMLA the following type of transaction(s) are to be reported to FIU:-
 - A) All cash transactions of the value of more than 10 Lacs or its equivalent in foreign currency.
 - B) All series of cash transactions integrally connected to each other which have been valued below 10 Lacs or its equivalent in foreign currency where such series of transactions takes place within one calendar month.
 - C) All suspicious transactions whether or not made cash and including, inter-alia credits or debits into any non monetary accounts such as Demat Account.
6. Any such above transaction(s), though not executed but attempted and failed are also required to be reported.
7. The suspicious transaction(s) can be related to the transaction(s) under the circumstances such as:-
 - A) Client(s) whose identity verification seems difficult or Client(s) that appear not to co-operate;

- B) Asset Management services for Client(S) where the source of the funds is not clear or not in keeping with Client(S) apparent standing/business activity;
 - C) Client(s) based in high risk jurisdictions;
 - D) Substantial increases in business without apparent cause;
 - E) Transferring large sum of money to or from overseas locations with instructions for payment in cash;
 - F) Attempted transfer of investment proceeds to apparently unrelated third parties;
 - G) Business undertaken by offshore Banks/Financial Services;
 - H) Business reported to be in the nature of export/import of small items;
 - I) Unusual transactions by Clients of Special Categories(CSCs);
8. Clients of Special Categories includes:-
- A) Non- resident Client;;
 - B) High net-worth Client (having annual income & net-worth more than Rs. 1 Crore);
 - C) Trust, Charities NGO(s) and organizations receiving donations;
 - D) Company having close family shareholdings or beneficial ownership;
 - E) Civil Servant or family member or close relative of Civil Servant;
 - F) Bureaucrat or family member or close relative of Bureaucrat;
 - G) Current or Former MP or MLA or MLC or their family member or close relative;
 - H) Politician or their family member or close relative;
 - I) Current or Former Head of State Governments or their family member or close relative;
 - J) Senior Government/Judicial/Military officers or their family member or close relative;
 - K) Senior Executives of State- owned Corporations or their family member or close relative;
 - L) Companies offering foreign exchange offerings;
9. While opening the new account all the prescribed procedures of KYC and Client identifications should strictly be followed in the context of ensuring the compliance under PMLA.
10. All the record of transaction(s) and the Client Identifications must

be preserved in a manner which can be retrieved promptly and reported to the authorities in the specified format as and when required.

11. The Clients are advised to fully conversant with the provisions of PMLA and any amendments thereto from time to time to co-operate with intermediaries by providing the additional information/documents, if asked for, to ensure the compliance requirements under PMLA.
12. The Clients are advised to provide certain information which may be personal nature or has hitherto never been called for such information can be include documents evidencing source of funds/income tax returns/bank account statements etc. You are advised to co-operate with us whenever such information is sought for from PMLA perspective.
13. The Clients are advised to be vigilant and refrain from temptation of easy monetary gains, by knowingly or unknowingly supporting the people who are involved in the activities which are endangering freedom and causing damage to the nation. The Clients are supposed to provide their active co-operation in the due compliance of the law.

Please visit the website of Financial Intelligence Unit (www.fiuindia.gov.in) and Securities Board of India (www.sebi.gov.in) for any further information on the subject.

GENERAL INFORMATION FROM DEPOSITORY PARTICIPANT

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
1. Instructions related to nomination, are as below:
 - I. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly all joint holders will sign the nomination form.
 - II. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
 - III. The Nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
 - IV. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
 - V. Transfer of securities in favour of a Nominee shall be valid discharge by the depository and the Participant against the legal heir.
 - VI. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
 - VII. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee.

2. For receiving Statement of Account in electronic form:
 - I. Client must ensure the confidentiality of the password of the email account.
 - II. Client must promptly inform the Participant if the email address has changed.
 - III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
3. Strike off whichever is not applicable.

Notes (Multiple Nomination Facility) :

1. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
3. The Nominee(s) shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
4. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
5. Transfer of securities in favour of a Nominee(s) shall be valid discharge by the depository and the Participant against the legal heir.
6. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the

beneficiary owner account is held jointly, all joint holders will sign the cancellation form.

7. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee(s).
8. Nomination can be made upto three nominees in a demat account. In case of multiple nominees, the Client must specify the percentage of share for each nominee that shall total upto hundred percent. In the event of the beneficiary owner not indicating any percentage of allocation/share for each of the nominees, the default option shall be to settle the claims equally amongst all the nominees.
9. On request of Substitution of existing nominees by the beneficial owner, the earlier nomination shall stand rescinded. Hence, details of nominees as mentioned in the FORM 10 at the time of substitution will be considered. Therefore, please mention the complete details of all the nominees.
10. Copy of any proof of identity must be accompanied by original for verification or duly attested by any entity authorized for attesting the documents, as provided in Annexure D.
11. Savings bank account details shall only be considered if the account is maintained with the same participant.
12. DP ID and client ID shall be provided where demat details is required to be provided.

Terms And Conditions for availing Transaction Using Secured Texting (TRUST) Service offered by CDSL

1. Definitions : In these Terms and Conditions the terms shall have following meaning unless indicated otherwise:
 - i. "Depository" means Central Depository Services (India) Limited (CDSL)
 - ii. TRUST means "Transactions Using Secured Texting" service offered by the Depository.
 - iii. "Service Provider" means a cellular service provider(s) with whom the Depository has entered / shall enter into an arrangement for providing the TRUST service to the BO.
 - iv. "Service" means the service of providing facility to receive/give instructions through SMS on best effort basis as per the following terms and conditions. The types of transaction that would normally qualify for this type of service would be informed by CDSL from time to time.
 - v. "Third Party" means the operators with whom the Service Provider is having / will have an arrangement for providing SMS to the BO.
2. The service will be provided to the BO at his / her request and at the discretion of the depository provided the BO has registered for this facility with their mobile numbers through their DP or by any other mode as informed by CDSL from time to time. Acceptance of application shall be subject to the verification of the information provided by the BO to the Depository
3. The messages will be sent on best efforts basis by way of an SMS on the mobile no which has been provided by the BOs. However Depository shall not be responsible if messages are not received or sent for any reason whatsoever, including but not limited to the failure of the service provider or network.
4. The BO is responsible for promptly informing its DP in the prescribed manner any change in mobile number, or loss of

handset on which the BO wants to send/receive messages generated under TRUST. In case the new number is not registered for TRUST in the depository system, the messages generated under TRUST will continue to be sent to the last registered mobile number. The BO agrees to indemnify the depository for any loss or damage suffered by it on account of messages sent on such mobile number.

5. The BO agrees that SMS received by the Depository from the registered mobile number of the BO on the basis of which instructions are executed in the depository system shall be conclusive evidence of such instructions having been issued by the BO. The DP / CDSL will not be held liable for acting on SMS so received.
6. The BO shall be responsible for submitting response to the 'Responsive SMS' within the specified time period. Transactions for which no positive or negative confirmation is received from the BO, will not be executed except for transaction for deregistration. Further, CDSL shall not be responsible for BOs not submitting the response to the said SMS within the time limit prescribed by CDSL.
7. The BO agrees that the signing of the TRUST registration form by all joint holders shall mean that the instructions executed on the basis of SMS received from the registered mobile for TRUST shall be deemed to have been executed by all joint holders.
8. The BO agrees to ensure that the mobile number for TRUST facility and SMS alert (SMART) facility is the same. The BO agrees that if he is not registered for SMART, the DP shall register him for SMART and TRUST. If the mobile number provided for TRUST is different from the mobile number recorded for SMART, the new mobile number would be updated for SMART as well as TRUST.
9. BOs are advised to check the status of their obligation from time to time and also advise the respective CMs to do so. In case of any issues, the BO/CM should approach their DPs to ensure that the obligation is fulfilled through any other

mode of delivery of transactions as may be informed / made available by CDSL from time to time including submission of Delivery Instruction Slips to the DP .

10. The BO acknowledges that CDSL will send the message for confirmation of a transaction to the BO only if the Clearing Member (registered by the BO for TRUST) enters the said transaction in CDSL system for execution through TRUST within prescribed time limit.
11. The BO further acknowledges that the BO/CM shall not have any right to any claim against either the DP or Depository for losses, if any, incurred due to non receipt of response on the responsive SMS or receipt of such response after the prescribed time period. In the event of any dispute relating to the date and time of receipt of such response, CDSL's records shall be conclusive evidence and the Parties agree that CDSL's decision on the same shall be final and binding on both Parties.
12. The BO may request for deregistration from TRUST at any time by giving a notice in writing to its DP or by any other mode as specified by Depository in its operating instructions. The same shall be effected after entry of such request by the DP in CDSL system if the request is received through the DP.
13. Depository reserves the right to charge such fees from time to time as it deems fit for providing this service to the BO.
14. The BO expressly authorises Depository to disclose to the Service Provider or any other third party, such BO information as may be required by them to provide the services to the BO. Depository however, shall not be responsible and be held liable for any divulgence or leakage of confidential BO information by such Service Providers or any other third party.
15. The BO takes the responsibility for the correctness of the information supplied by him to Depository through the use of the said Facility or through any other means such as electronic mail or written communication.

16. The BO is solely responsible for ensuring that the mobile number is not misused and is kept safely and securely. The Depository will process requests originated from the registered Mobile as if submitted by the BO and Depository is not responsible for any claim made by the BO informing that the same was not originated by him.
17. Indemnity : In consideration of providing the service, the BO agrees that the depository shall not be liable to indemnify the BO towards any damages, claims, demands, proceedings, loss, cost, charges and expenses whatsoever as a consequence of or arising out of interference with or misuse, improper or fraudulent use of the service by the BO.
18. Disclaimer : Depository shall be absolved of any liability in case :
 - a. There is loss of any information during processing or transmission or any unauthorized access by any other person or breach of confidentiality.
 - b. There is any lapse or failure on the part of the service providers or any third party affecting the said Facility and that Depository makes no warranty as to the quality of the service provided by any such service provider.
 - c. There is breach of confidentiality or security of the messages whether personal or otherwise transmitted through the Facility. .

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

GENERAL CLAUSE

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

BENEFICIAL OWNER INFORMATION

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

FEES/CHARGES/TARIFF

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that “no charges are payable for opening of demat accounts”
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or

Depository circulars/directions/notifications issued from time to time.

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

DEMATERIALIZATION

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

SEPARATE ACCOUNTS

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/ Operating Instructions/Business Rules of the Depositories.

TRANSFER OF SECURITIES

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

STATEMENT OF ACCOUNT

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if

the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.

15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

MANNER OF CLOSURE OF DEMAT ACCOUNT

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

DEFAULT IN PAYMENT OF CHARGES

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP

may charge interest at a rate as specified by the Depository from time to time for the period of such default.

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

LIABILITY OF THE DEPOSITORY

21. As per Section 16 of Depositories Act, 1996,
1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
 2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

FREEZING/ DEFREEZING OF ACCOUNTS

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

REDRESSAL OF INVESTOR GRIEVANCE

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

AUTHORIZED REPRESENTATIVE

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

LAW AND JURISDICTION

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other

rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.

27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

NON-MANDATORY POLICIES AND PROCEDURES

These “**Non-Mandatory Policies & Procedures**” of Stewart & Mackertich Wealth Management Limited (hereinafter referred to as Stewart & Mackertich) outlines various Policies and Procedures framed and followed by Stewart & Mackertich with respect to its dealings with its Clients as a Stock Broker on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) (collectively hereinafter referred as “the Exchanges”).

Stewart & Mackertich shall have right at its sole and absolute discretion to amend/change/revise any of the above said “**Non-Mandatory Policies and Procedures**” at any time in future depending upon Regulatory changes, its risk management framework, other market conditions etc. and the same shall be binding on the Client forthwith. The said Policies and Procedures and any revision/updation in the same from time to time is/will be available in the official web site of Stewart & Mackertich.

Any action taken by Stewart & Mackertich in accordance with the “**Non-Mandatory Policies and Procedures**” mentioned herein above can not be challenged by the Client and Stewart & Mackertich shall not be liable to the Client for any loss or damage (actual/notional), which may be caused to the Client as a result.

(I) POWER OF ATTORNEY POLICY

Stewart & Mackertich has framed its Power of Attorney (POA) Policy based upon the guidelines laid by Securities & Exchange Board of India or the benefits of the investors. The Power entrusted by the clients would be broadly based on the following:

- (i) The POA would be **VOLUNTARY** and **NOT MANDATORY** on the Client.
- (ii) The POA will NOT be used for operating BANK ACCOUNTS of the Client.
- (iii) The POA will not be used for opening a broking/trading/securities account for facilitating trading with any stock broker and/or opening of a Beneficial Owner Account with any Depository Participant.
- (iv) The POA will not be used to execute trades in name of the client with and/or without their consent.
- (v) The POA will not prohibit, in any way and manner from issuing of

Delivery Instructions to the Client.

- (vi) The POA will not prohibit, in any way and manner from operating the said Account by the Client directly.
- (vii) The POA will not be used for merging of balances (dues) under various accounts to nullify debit in any other account.
- (viii) The POA will not be used for opening an email ID/email account on behalf of the client for receiving statement of transactions, bills, contract notes etc.
- (ix) The POA will not be used to renounce liability for any loss or claim that may arise due to any blocking of funds that may be erroneously instructed to the designated bank.
- (x) The POA executed by the client would be REVOCABLE and can be withdrawn by the client at any time without notice.
- (xi) The POA will be used for facilitating debit instructions for transfer of securities in respect of the beneficiary account of the client and would be limited to the following accounts, held in the pre-notified accounts held in the name of Stewart & Mackertich only.
- (xii) As mandated by SEBI, the latest updated Demat Account Details as well as Bank Account Details of Stewart & Mackertich for the purpose of dealing with its Client's would be made available on the official website of the Company.

(II) TRADING RELATED POLICY:

- (i) The relationship being established between the client and Stewart & Mackertich shall be that of principal and agent and Stewart & Mackertich shall be the agent of the client. The client is required to make independent enquiries and satisfy itself that the client is entitled to enter into the broker client relationship with Stewart & Mackertich in the jurisdiction in which the client resides.
- (ii) Stewart & Mackertich recommends that the client places orders in writing and takes acknowledgement as per the format available from Stewart & Mackertich, so as to avoid any future disputes. The client may also choose to place orders verbally, by visiting the branch or through telephone. The client may authorize its authorized representative to carry out the above, whose orders shall be binding on the client.
- (iii) Stewart & Mackertich recommends that the client modifies/cancels part and/or whole of the orders placed by the client, in

writing and takes acknowledgement as per the format available from Stewart & Mackertich, so as to avoid any future disputes. The client may also choose to modify/cancel part and/or whole of the orders placed by the client verbally, by visiting the branch or through telephone. The client may authorize its authorized representative to carry out the above, whose orders shall be binding on the client.

- (iv) Stewart & Mackertich advises that it is preferable that client gives orders on the day the client desires trades, including orders for modification/cancellation, which Stewart & Mackertich will punch in the trading system on a best efforts basis. However if the client chooses to give orders aftermarket hours then upon specific instruction of the client, Stewart & Mackertich may attempt to enter them in the trading system on the next trading day however it may not be possible in all instances to do so.
- (v) Orders given by the client may or may not result in trades and the client is requested continuously monitor the final outcome of the order. It is however made clear that the dealer of Stewart & Mackertich would concurrently update the status of the orders/trades of the client. Where orders have resulted in trades the same may or may not result delivery and the client should continuously monitor its pay-in/payout obligations.
- (vi) No employee, sub broker, director or any other agent of Stewart & Mackertich is authorized to give any assurances of profits, or to manage the account of the client in any discretionary manner. The client must make its own decisions regarding suitability of orders/investments and if need be rely upon its own independent advisers whether in matters of orders/trades or in the matters relating to taxation etc. Accordingly the client should not enter into any personal/private mutual understanding with any Employee, Sub-Broker, Authorized Person, Director or any other agent of Stewart & Mackertich.
- (vii) Stewart & Mackertich uses trading platform such as ODIN/NEST Trader etc., which are exchange approved. However there is no guarantee/warranty that these are bug/glitch free and the client may in rare occasions suffer losses which it should keep in mind while dealing through Stewart & Mackertich.
- (viii) Where prima – facie it appears that trading system is suffering from some problems such as incorrect positions being shown etc., the client should refrain from trading and immediately bring

the problem to the notice of Stewart & Mackertich and act only after the problem has been resolved. If Stewart & Mackertich or any other clients suffer on account of actions of the client in such situations the client will be liable to make good the losses suffered by Stewart & Mackertich or other clients.

- (ix) Stewart & Mackertich may tape record conversations of the client over telephone/in person however Stewart & Mackertich shall not be obliged to do so and absence of availability of recordings shall not render any order/transaction unenforceable against the client, in as much as the orders can be placed over mobile phones, through visiting the branch and the recorded orders are also liable to damage/erasure on account of virus/capacity overrun of the machine.
- (x) As a measure of risk containment, Stewart & Mackertich may subject orders of the client to prior risk control assessment (such as checking availability of margin) before allowing the same to go into the trading system.
- (xi) Stewart & Mackertich may provide market research through e-mail, web-site, printed material or through discussions however the same is provided without any warranty or guarantee or suitability for the client and Stewart & Mackertich recommends that client may get the same examined through the personal financial/legal advisers as deemed fit. The facilities/data/research shall be provided to client on as is where is basis only for personal use and all rights in the same shall exclusively rest with Stewart & Mackertich and the client is not entitled to share it whether for consideration or otherwise with any third party without a formal written authorization by Stewart & Mackertich. In the event of a breach Stewart & Mackertich shall be entitled to bring legal action against the client.
- (xii) Stewart & Mackertich issues contract notes, to its clients on the day of the trade, with the order number(s) and trade number(s). Therefore Stewart & Mackertich shall not be providing order confirmation and trade confirmation slips, generated through NEAT/BOLT terminals to the client. However in case the client makes a specific prior request, Stewart & Mackertich would arrange the same.
- (xiii) Stewart & Mackertich issues contract notes, to its clients of the day of the trade, with details of the gross Security Transaction Tax (STT) applicable per contract. Stewart & Mackertich would

provide STT Statement, free of cost, to all its clients at the end of each financial year. However Stewart & Mackertich would be bound to provide/issue to its clients STT Statements, free of cost, at such intervals as requested by the Client.

- (xiv) The client should review all information sent to the client immediately upon receipt and revert the discrepancy, if any (including if any trades in the account are not as per directions/orders of the client), to allow Stewart & Mackertich to take remedial steps, if any, are possible.
- (xv) Stewart & Mackertich may pledge the securities of the client lying with it as margin/collateral/with Professional Clearing Member to meet margin obligation of the said client.
- (xvi) The client shall forthwith cease trading and inform Stewart & Mackertich in the event the client becomes ineligible to deal with Stewart & Mackertich on account of any court, exchange or regulatory action.
- (xvii) The client shall not work as a sub broker/authorized person without prior written permission of Stewart & Mackertich and only after seeking appropriate registration with respective registering authorities.
- (xviii) The client shall also not deal through Stewart & Mackertich on an exchange of which the client itself is a Member/Sub Broker/Authorized person.
- (xix) Stewart & Mackertich may at its discretion maintain combined/collective books of accounts of the client across exchanges and/or other services such as depositories etc.
- (xx) The client shall maintain a regular watch on its account including on its margin/collateral and ensure payment well before the due dates so that Stewart & Mackertich may not required to liquidate/close out any margin/open positions.
- (xxi) The records as provided by Stewart & Mackertich through contract notes, bills, statement of accounts, statement of margin etc. shall be the official record to determine the obligations of Stewart & Mackertich and the client.
- (xxii) Those clients who wishes to avail Internet Trading facility (in case provided by Stewart & Mackertich at a later date), shall upgrade the newer versions of trading software/back-office software etc. on account of changes made by Stewart & Mackertich and/or any other service provider like Depositories/Banks.

- (xxiii) Where the client chooses to clear its trades through Professional Clearing Member (PCM), then Stewart & Mackertich shall revert such trades as are not confirmed by the PCM to the client who shall be then liable to not only pay all the margins on the same but to also settle the same.

(III) PAYMENT RELATED POLICY:

- (i) Stewart & Mackertich may debit charges for other services such as depository, charges on account of dishonour of cheques, charges for issuance of demand drafts, NEFT/RTGS, minimum processing fee charges etc. to the account of the client.
- (ii) Stewart & Mackertich does not accept cash and in no event should the client make any payments to Stewart & Mackertich, Employees/Sub broker/Authorized person of Stewart & Mackertich and/or any agent of Stewart & Mackertich by cash.
- (iii) The client must make payments from its own bank account through a bank instrument. Stewart & Mackertich may demand a proof that the payments are being made by the client from its own account without which Stewart & Mackertich may not give credit to the client. In case Demand Drafts, following may be required:
- ❖ Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
 - ❖ Copy of the passbook/bank statement for the account debited to issue the instrument duly certified by the Bank. Please ensure that copy of passbook/bank statement clearly reflects that amount has been debited for the purpose of issuing of prefunded instruments in favour of Stewart & Mackertich.
- (iv) The client should never leave any blank instruments such as cheques/depository instruction slips (DIS) etc. with Stewart & Mackertich or Employees/Sub-Broker/authorized person and/or any agent of Stewart & Mackertich. Stewart & Mackertich shall not be responsible for their misuse.
- (v) Stewart & Mackertich shall make delivery of funds/securities to the client only after the same has been received from the exchange/clearing corporation/clearing house/the delivering client.

(IV) CORPORATE ACTION POLICY:

- (i) Where any corporate benefits come into the account of Stewart & Mackertich, in respect of the securities deposited by the client with Stewart & Mackertich for ease of payments/margin and/or securities held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client, the same shall be released/credited to the client.
- (ii) The client may keep securities with Stewart & Mackertich for ease of payments/margin and/or securities can be held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client. Stewart & Mackertich shall not be liable to apply for rights issue or any other Corporate Benefits where there is involvement of funds on the part of Stewart & Mackertich to receive the corporate benefits for and on behalf of the client, on any securities deposited by the client and/ or held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client. The client shall be solely responsible to get these transferred to its personal demat account to receive such corporate benefits. Stewart & Mackertich, in exceptional circumstances, upon specific written request, may attempt to seek such corporate benefits for and on behalf of the client while keeping custody of securities with its own self, however the same shall be without any warranty/guarantee that the corporate benefits shall be received. The client shall also provide funds well in time to allow Stewart & Mackertich to take necessary action.
- (iii) In the Derivative Market Segment, the contract specifications may undergo changes because of corporate actions (such as bonus, share split etc.)/directions by exchanges, and the client should actively monitor its open positions and take necessary actions to avoid any losses on account of any such changes.

(V) OTHERS

Stewart & Mackertich has taken utmost care in framing the Non-Mandatory Policies as detailed above, ensuring that the same neither dilute the responsibility of Stewart & Mackertich nor it shall be in conflict with any of the clauses laid in the Mandatory Policies, Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time. However without prejudice, if at a later date, if any of the clauses framed and detailed above by Stewart & Mackertich, in the opinion of the SEBI and/or Stock

Exchange, reveal that it is in conflict of the Mandatory Policies, Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time, then such clause(s) shall be treated as “NULL & VOID” and would stand withdrawn, forthwith. No term of this “Non-Mandatory Policies and Procedures” other than those prescribed by SEBI, shall be changed without the consent of the Client. Such change needs to be preceded by a notice of 15 days by Stewart & Mackertich. A copy of all the documents executed by Client shall be given to the Client, free of charge within seven days from the date of execution of documents by the Client. Stewart & Mackertich is entitled and shall take acknowledgement of the Client for the receipt of the same.

Acceptance of Policies and Procedures by the Client stated and detailed above:

I/We have read and fully understood all the “Non-Mandatory Policies and Procedures” detailed above, mentioned against points numbered “I” to “V”, enumerated in page numbers “74 to 81” and undertake to extend all co-operation for any other compliance requirements for the Trading Account maintained with Stewart & Mackertich Wealth Management Limited. Further, I/We have taken note of the fact that these “**Non-Mandatory Policies and Procedures**” may be amended/changed/revised by Stewart & Mackertich at any time in future and such amended/changed/revised “**Non-Mandatory Policies and Procedures**” will be made available on the official web-site of Stewart & Mackertich.

**KYC Document Booklet & Declaration for opening
Trading and/or Depository Account**

Stewart & Mackertich Wealth Management Limited

Broking & Depository Division (DP ID: IN301629/12016000)

4, Lee Road, Vaibhav, 5(F), Kolkata - 700 020

Dear Sir,

**Subject: KYC Document Book & Declaration for opening Trading and
Depository Account**

1. I/we am/are desirous of opening the Trading and Demat Account with Stewart & Mackertich Wealth Management Limited in the process of executing client registration documents relating to the opening of trading and demat account.
2. I/we have furnished all the details in the KYC form as per SEBI/Exchange/DP requirements. I/we confirm having read /been explained and understood the contents of the KYC Documents which are provided to me in separate booklet. The KYC document booklet includes the following:
 - a) Instruction/Checklist for filling KYC Form.
 - b) Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading) prescribed by SEBI and Stock Exchanges.
 - c) Uniform Risk Disclosure Documents (RDD) prescribed by SEBI and Stock Exchanges.
 - d) Guidance Note detailing do's and don'ts for trading on Stock Exchanges.
 - e) Policies and Procedures Documents describing significant policies and procedures of Stewart & Mackertich Wealth Management Limited.
 - f) Information on Anti- Money Laundering.
 - g) General Information of Depository Participant
 - h) Rights and Obligation of Beneficial Owner and Depository Participant as prescribed by SEBI and Depositories to clients.

- i) Non-Mandatory Policies and Procedures documents describing significant non-mandatory policies and procedures of Stewart & Mackertich Wealth Management Limited.
 - j) KYC Documents Booklet and Declaration.
3. I understand and agree that any amendment/modifications as required by the Exchange(s)/Depository Participant(s) and/or Regulators will be applicable to me/us at all point of time and I/we understand that these changes will be intimated to me/us.
 4. I/we understand that the KYC document booklet is in accordance of the Exchanges and/or SEBI/Depository Participant(s) requirements applicable for opening Trading /Demat account.
 5. I/we confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker and the tariff sheet and also the Demat tariff sheet and an Instruction/Checklist for filling KYC Form
 6. I/we confirm having read/been explained and understood the contents of the document on Non-Mandatory Policies and Procedures documents describing significant non-mandatory policies and procedures of Stewart & Mackertich Wealth Management Limited, Information on Anti- Money Laundering and General Information of Depository Participant.
 7. I/we further confirm having read and understood the contents of the “Right and Obligations” document(s) and “Risk Disclosure Document”(RDD). I/we do hereby agree to be bound by such provisions as outlined in these documents. I/we have also been informed that the standard set of documents has been displayed for information on stock broker’s website.
 8. I/we have received and read the copy of “Right and Obligations” document(s) of the Beneficial Owner and Depository Participant and agree to abide by and be bound by the same and by the Byelaws as are in force from time to time. I agree and undertake to intimate you any changes in the details/particulars mentioned by me/us in this form.

9. I have received the booklet with above mentioned contents
10. I hereby declare that the details furnished in the KYC by me/us are true and correct to the best of my/our knowledge and belief and I/ we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misrepresenting, I am aware that I may be held liable for termination and suitable action.

Name & Signature of the Sole / First Holder	Name & Signature of the Second Holder	Name & Signature of the Third Holder

Unique Client Code:		DP Client ID:	
Date:		Place:	



**STEWART &
MACKERTICH**
LEGACY | TRUST | GROWTH

