



**J.P.Morgan**

**J.P. Morgan India Private  
Limited**

Client Registration Pack

Capital Market (CM), Futures & Options (FO)  
and Currency Derivatives Segment (CD)  
(Non-Institutional Clients)

## Brief Profile of J.P. Morgan India Private Limited

J.P. Morgan India Private Limited ("JPMIPL"), [erstwhile Jardine Fleming India Securities Private Limited (JFISL)] is, a part of the JPMorgan Chase group and is currently engaged in the business of Stock Broking (Equities and Derivatives), Merchant Banking and Underwriting, including, Corporate Finance, Mergers & Acquisitions, Corporate Advisory and related investment advisory services.

Information in relation to JPMIPL's Stock Exchange Memberships:-

Type of License	Segment	Exchange	Registration Number	Date of Registration
Stock Broker	Capital Market	Bombay Stock Exchange Limited	INZ000239730	April 19, 1995
Stock Broker	Capital Market	National Stock Exchange of India Ltd	INZ000239730	November 23, 1994
Trading & Clearing Member	Derivatives	Bombay Stock Exchange Limited	INZ000239730	May 23, 2000
Trading & Clearing Member	Futures & Options	National Stock Exchange of India Ltd	INZ000239730	May 23, 2000
Trading & Clearing Member	Currency Derivatives	National Stock Exchange of India Ltd	INZ000239730	December 10, 2009

### Registered / Correspondence Office

J.P. Morgan Tower  
Off C.S.T Road,  
Kalina, Santacruz - East,  
Mumbai - 400098

Tel:- 91 22 6157 3000

### Details of senior officials of JPMIPL

	<u>Equities and Derivatives Business</u>	<u>Operations</u>	<u>Compliance</u>
Name	Devasis Sharma	Hoshi Bharucha	Spurthi Gadamsetty
Designation	Vice President	Vice President	Vice President
Phone No	6157 3000 (Ext 3853)	6157 3000 (Ext 3468)	6157 3000 (Ext 3225)
Fax No	NA	6157 3901	NA
Email id	devasis.sharma@jpmorgan.com	hoshi.b.bharucha@jpmorgan.com	spurthi.gadamsetty@jpmchase.com

For any grievance/dispute please contact J.P. Morgan India Private Limited at email id- investorsbroking.jmipl@jpmorgan.com and Phone no. 91-22-6157 3000.

In case if you are not satisfied with the response, please contact the concerned exchange(s) at:-

#### **Bombay Stock Exchange Limited**

Investor Services email id. : [is@bseindia.com](mailto:is@bseindia.com)

Investor Services Telephone No. : 022 2272 8097

#### **National Stock Exchange of India Limited**

Investor services email id : [ignse@nse.co.in](mailto:ignse@nse.co.in)

Investor Services Telephone No 022 2659 8190

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Doc 2	Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges {including additional rights & obligations in case of internet/wireless technology based trading}	CM,FO, CD	11-17
Doc 3	Risk Disclosure Document	Document detailing risks associated with dealing in the securities market	CM,FO, CD	18-22
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Doc 6	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading / clearing on stock exchange/clearing corporation	CM,FO, CD	30-31
Doc 10	Investor Charter - Stock Brokers	Document detailing the services provided to investors, rights of investors, various activities of stock brokers with timelines, do's and don'ts for investors and grievance redressal mechanism	CM,FO, CD	39-43
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Doc 7	Client Consent letter for sharing of information	Consent for sharing of information with members/affiliates of the JPMorgan group and other third party service providers.	CM, FO & CD	32-33
Doc 8	Appointment of Trader and Personnel	Appointment of Trader and Personnel* * Required if the board resolution does not contain the names of the people authorized to transact on the Client's behalf	CM, FO & CD	34-35

Doc 9	Consent under Information Technology {Reasonable Security Practices and procedures and sensitive	This document seeks to collect written consent from the clients who are natural persons regarding the purpose of collection and usage of Sensitive Personal Data or information , which may have been collected as part of the KYC process	CM, FO & CD	36-37
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**Section A**

**MANDATORY DOCUMENTS AS PRESCRIBED BY**  
**SEBI AND STOCK EXCHANGES**

**DOC 1**

**TRADING ACCOUNT RELATED DETAILS**

<b>BANK AND DEPOSITORY ACCOUNT DETAILS *</b>	
Name of the Bank (through which transactions will generally be routed)	
Branch	
Address	
Account No	
Account Type: (Savings/Current/Others)	
MICR Number and IFSC Code	
Name and Address of the Depository Participant (through which transactions will generally be routed)	
Depository Name (NSDL/CDSL)	
DPID and Beneficiary Account Number (Please provide proof of ownership of demat account )	

\* 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. Demat master or recent holding/transaction statement issued by Depository participant containing the name of the client.

<b>TRADING PREFERENCES</b>			
Please sign in the relevant boxes where you wish to trade. Please strike off the segment not chosen by you.			
Exchanges	NSE (Cash/F&O/Currency), BSE (Cash)		
All Segments (Cash, F&O, Currency)	Cash (NSE & BSE)	F&O (NSE)	Currency (NSE)
If you do not wish to trade in any of segments, please mention here _____.			

Details of any action/proceedings initiated/pending/taken by Securities and Exchange Board of India / Stock Exchanges/any other authority against the client or its Promoters/Partners/whole time directors / authorized persons in charge of dealing in securities during the last 3 years

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**DETAILS OF DEALINGS WITH OTHER STOCK BROKERS/SUB-BROKERS  
[PLEASE TICK ON THE APPROPRIATE CELL]**

Yes

No

**[IF YES, PLEASE PROVIDE FOLLOWING DETAILS. IF REGISTERED WITH MULTIPLE STOCK BROKERS/SUB-BROKERS, PROVIDE DETAILS OF ALL SUCH ENTITIES]**

Name of the other Stock Broker/Sub-Broker with whom registered.	1. 2. 3.
In case of Sub-Broker, please provide name of Stock Broker with whom the Sub-Broker is registered	
SEBI Registration Number of Stock Broker/Sub-Broker	
Registered office details including phone, fax and website	
Exchange/Segment	
Client Code Number	
Details of any disputes/dues pending from/to such Stock Broker/Sub-Broker	

**ADDITIONAL DETAILS**

Please specify, whether you wish to receive physical contract notes or Electronic Contract Notes (ECN)



Physical Contract Note / ECN

If you wish to receive electronic contract notes, please specify your email id. - Not Applicable

Whether you wish to avail the facility of internet trading /wireless technology

Yes/No

How many years' investment/trading experience do you have?

---years

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

Any other information

### NOMINATION DETAILS

I/We wish to nominate - Yes/No

Name of the Nominee :- -----

PAN of Nominee:- -----

Relationship with the Nominee:- -----

Date of Birth of Nominee:- -----

Address of the Nominee :- .....

Phone Number:- \_\_\_\_\_

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If Nominee is a minor, details of guardian:

Name of the guardian:- -----

PAN of Nominee:- -----

Address of the Nominee :- .....

Phone Number:- \_\_\_\_\_

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Signature of the guardian:- \_\_\_\_\_

**WITNESSES (Only applicable in case the account holder has made a nomination)**

Name :- \_\_\_\_\_

Name:- \_\_\_\_\_

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

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

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

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

\_\_\_\_\_

\_\_\_\_\_

I/We do not wish to nominate - Yes/No

**DECLARATION**

1. I/We hereby declare that the details furnished above 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 misleading or misrepresenting, I am /we are aware that I/We may be held liable for it.
2. I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker and tariff sheet.
3. I/We further confirm having read and understood the contents of the "Rights and Obligations" documents and "Risk Disclosure Document". 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 document has been displayed on stock broker's designated website, if any.

\_\_\_\_\_

Name & Signature of the client

Date: \_\_\_\_\_ (dd/mm/yyyy)

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

## DOC 2

### **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-a-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

## **TERMINATION OF RELATIONSHIP**

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

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the

relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

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

## **LAW AND JURISDICTION**

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

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

**(All the clauses mentioned in the 1Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable if Internet & Wireless Technology based Trading facility is provided by JPMIPL to its clients.)**

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.

### **DOC 3**

## **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 shall be brought to the notice of the client by the stock broker from time to time.

#### **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.

## **DOC 4**

### **GUIDANCE NOTE – DO'S AND DON'T'S FOR TRADING ON THE EXCHANGES 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.nseindia.com](http://www.nseindia.com) , [www.bseindia.com](http://www.bseindia.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

#### **TRANSACTIONS AND SETTLEMENTS**

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

of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:

- a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
- b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
- c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.

15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

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

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

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

#### **DISPUTES / COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.

19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.



20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

## DOC 5

### POLICIES AND PROCEDURES AT J.P. MORGAN INDIA PRIVATE LIMITED ("JPMIPL")

#### I. Orders for Penny Stocks / Illiquid Stocks

Officials of Front Office at JPMIPL shall exercise due diligence in the execution of client orders in securities including illiquid stocks / penny stocks on an ongoing basis. For purpose of this policy, penny Stocks shall comprise of stocks identified by Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") as illiquid stocks / penny stocks from time to time. Officials of front office shall evaluate all orders received from clients in such stocks against parameters such as:-

- a) market volume in the stock
- b) current market price
- c) market price at the time of order placement
- d) client instruction on manner of execution of order
- e) any other aspect as may be considered relevant by front office

Front Office Officials shall ensure that no orders are executed for any client in case if the transaction is, in their reasonable judgement, likely to be used or suspected of being used for any form of market manipulation or market misconduct.

Further, JPMIPL may not execute orders in securities which are subject to physical settlement and not settled through dematerialization mode.

#### II. Setting up Clients Exposure Limits

JPMIPL's exposure to clients is determined based on the following:-

##### a) Cash Equities

JPMIPL's exposure to the client is determined based on the credit limit assigned to the client and margin deposit, if any obtained from the client. Credit limits are assigned by JPM Credit Team based on various parameters including financial statements of the client.

##### b) Futures and options

JPMIPL's exposure to the client is dependent upon the margins collected on an upfront basis. Further, JPMIPL's exposure to the client in securities in the F&O segment will also be subject to position limits, if any specified by SEBI, NSE and BSE from time to time.

#### III. Brokerage /Commission Rates

Brokerage / Commissions are agreed between client and JPMIPL through negotiation from time to time. Brokerage / Commission rates may vary depending upon the type of transaction (For eg:- Order placed on phone, Direct Market Access Order, Arbitrage or Roll over transaction, Execution only transaction, Execution and Clearing transaction etc).Such Brokerage / Commission rates are levied on value of the transaction executed / cleared by JPMIPL on behalf of the client. Front Office team at JPMIPL is responsible for agreeing the brokerage / commission rates with the client.

Any exception to agreed Brokerage / Commission rate on transactions shall be mutually discussed and agreed between the client and JPMIPL.

Brokerage / Commission rates charged from clients for equities and f&O transactions shall not exceed the maximum rate prescribed by SEBI, NSE and BSE from time to time.

**IV. Imposition of penalty/delayed payment charges by JPMIPL**

In case of any default or non compliance of Rules, Regulations, Bye Laws, or any other regulatory requirement of SEBI, NSE, BSE by the client, in connection with any transaction executed by JPMIPL on their behalf, SEBI, NSE, BSE may levy and recover penalty / charges on such transactions from JPMIPL. JPMIPL may, at its discretion, recover such penalties/ charges from the client.

**V. Right to Sell clients securities or close out clients positions without notice / refusal to allow further positions**

JPMIPL shall be entitled to liquidate / close out all or any of the clients positions on account of non payment of dues towards margin, additional margins, mark to market settlement of futures contracts, final settlement of futures contracts, premium settlement of option contracts, exercise settlement of option contracts, failure of the client to comply with their obligation w.r.to pay-in of funds or securities in time for settlement to the exchanges, outstanding debts, etc {collectively referred to as "client liabilities/obligations") and adjust the proceeds of such liquidation / close out, if any, against such client liabilities/ obligations. Further, JPMIPL may at its discretion, recover from the client, all or any of the losses and financial charges incurred on account of such liquidation/close-out. JPMIPL may also refuse to execute any further transactions on behalf of a client till all client liabilities/obligations are settled.

**VI. Shortages in obligations arising out of internal netting of trades**

Internal netting of trades could arise in a situation where clients of JPMIPL have bought and sold shares of A, B, S and F group stocks in the same settlement. In such cases, settlement between stock exchange and JPMIPL is carried out on a net basis. JPMIPL is required to facilitate the settlement of such netted transactions between its clients. JPMIPL receives the stock from the selling client and the same is transferred to the buying client. The buying client provides the funds towards purchase to JPMIPL which is in turn passed on to the selling client.

For example

A has sold 10000 share of Company XYZ {A group stock) on 01/03/2010.

B has bought 10000 shares of Company XYZ {A group stock) on 01/03/2010.

In above example, Stock Exchange will recover/deliver net obligation for trade date 01/03/2010 in Company XYZ from JPMIPL, which is 0. JPMIPL in turn is expected to take 10000 shares of Company XYZ from A and transfer it to B. JPMIPL is also expected to take funds for purchase of 10000 shares of Company XYZ from B and transfer it to A.

In case of such internally netted trades, if either of the parties default in delivering the securities or paying requisite funds, the same shall be closed out in accordance with the guidelines issued by stock exchanges. Guidelines issued by NSE and BSE in this regard are as follows:-

**Transactions executed on BSE**

**'A', 'B', 'S' and 'F' group stocks**

The obligations of the clients shall be closed out at higher of the following rates:-

- a) The highest rate of the scrip from the trading day to the day prior to the day on which the auction is conducted for the respective settlement.
- b) 20% above the closing rate as on the day prior to the day of auction/close out of the respective settlement.

**"Odd Lot", "T", "TS" and "Z" group stocks**

The obligations of the clients shall be closed out at higher of the following rates:-:

- a) The highest rate of the scrip from the day of trading to the day prior to the day of auction of the respective settlements;
- b) 10% above the closing rate as on the day prior to the day of auction/ close out of the respective settlement.

**Transactions executed on NSE**

**Closing out in the case of failure to give delivery**

**a) Failure to give delivery for Normal Market stocks**

Any shortages in Normal Market that cannot be bought in the Auction Market shall be closed out as specified by SEBI vide Circ. Ref No. SMD/Policy/Cir-03/2002 dated January 30, 2002. Close out shall be at the highest price prevailing in the NSE from the day of trading till the auction day or 20% above the official closing price on the auction day, whichever is higher.

**b) Failure to give delivery for 'IL' and 'BL' Market Stocks**

Any shortages in the 'Inter Institutional' - IL segment and 'Block trades' - BL window shall be directly closed-out on the settlement at the highest price prevailing in the Exchange from the day of trading till the T+1 day or 20% above the official closing price on the T+1 day, whichever is higher, or as declared from time to time.

**c) Failure to give delivery for Trade-for-trade - Surveillance (TFT-S) stocks**

Any shortages in TFT-S shall be directly closed-out on the settlement at the highest price prevailing in the Exchange from the day of trading till the T+1 day or 20% above the official closing price on the T+1 day, whichever is higher, or as declared from time to time.

**d) Failure to give delivery in Auction Market**

When the auction seller fails to deliver in part or full on auction pay-in day, the deal shall be closed out at the highest price prevailing in the NSE from the day on which the trade was originally executed till the day of closing out or 20% over the official closing price on the close out day whichever is higher and will be charged to the auction seller unless otherwise specified.

**VII. Policy for treatment of Dormant / Inactive accounts / Temporarily suspending an account at clients request**

Clients account may be marked as Inactive / Dormant account / suspended by JPMIPL in the following situations:-

- a) Client intends to temporarily suspend further transactions through JPMIPL and submits a written request duly signed by their authorized person to JPMIPL to suspend their account. Such clients account will be suspended after ensuring that all balances in their account are settled. All funds due to / receivable from the client and all securities due to / receivable from the client will be adjusted before the account is suspended. The client will not be permitted to trade\take new positions while their account is in suspended status.
- b) Domestic client accounts with JPMIPL may be marked as Dormant / Inactive accounts if they have not executed or cleared any transaction through JPMIPL during the last three years. In such cases, Operations team at JPMIPL will mark the accounts as dormant / inactive after obtaining consent from Front Office. It will be ensured that clients account does not have any balance outstanding / due nor are any securities due to or receivable from the client before it can be marked as inactive or dormant. International clients shall be marked as dormant/inactive in case of inactivity in the account for a period determined by regional policies of the JPMorgan group.

In case if a client whose account has been temporarily suspended / marked as inactive or dormant wants to trade / take new positions. After carrying out internal due diligence as may be deemed appropriate, including obtaining relevant client documentation, updated client information etc, JPMIPL will remove the suspended / inactive / dormant status of the clients account and execute orders on behalf of the client.

#### **VIII. Closing clients account or Deregistering a client**

Clients account may be closed or deregistered by JPMIPL in the following situations:-

- a) Client does not intend to execute further transactions through JPMIPL and submits a written request duly signed by their authorized person to JPMIPL to close their account. Such clients account will be closed after ensuring that all balances in their account are settled. All funds due to / receivable from the client and all securities due to / receivable from the client will be adjusted before the account is closed. The client will not be permitted to trade\take new positions if their account has been closed.

In case if a client whose account has been closed wants to trade / take new positions, they will have to submit a written request in this regard to JPMIPL. After carrying out internal due diligence as may be deemed appropriate, relevant client documentation, updated client information etc, JPMIPL will set up a new account for the client and execute orders on behalf of the client.

- b) In case if a client has been subjected to regulatory action from SEBI/NSE/BSE/ any other regulatory authority, JPMIPL may deregister the account of the client and not permit such client to trade, depending upon the nature of regulatory action. Existing positions of such client will be closed out/settled/ dealt with in the manner permitted by regulators.

**DOC 6**  
**Tariff Sheet**

<b>Product</b>	<b>Commission Charges *</b>
Equities / Capital Market	2.5% of the transaction value or INR 0.25 per share whichever is higher
F&O & Currency Derivatives	<u>Futures</u> :- 2.5% of the contract value  <u>Options</u> :- 2.5% of the premium amount or INR 100 per lot, whichever is higher

\*Commission charges as mentioned above are the maximum permitted under Rules, Regulations and Bye Laws of National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd and are subject to amendments/revisions as may be mutually agreed and documented between JPMIPL and the client.

**Note**

- Commission charges do not include the statutory levies such as Securities Transaction Tax, Service tax and any other levies which may be applicable on transactions executed by JPMIPL on behalf of the client. Such charges, may be recovered from the client on actual basis, unless otherwise agreed between JPMIPL and the client.

**SECTION B - DOCUMENTS REQUIRED BY**  
**JPMIPL TO ASSIST IN PROVIDING SERVICE TO**  
**CLIENT**

**(NOT MANDATORY UNDER EXISTING**  
**REGULATIONS)**

**DOC6**

Dear Sir,

**Consent to Disclose Information**

We enclose herewith the consent letter (the "Consent") for disclosure of information (as defined), authorizing J.P. Morgan India (as defined)\* to disclose information that you may provide us from time to time. The primary purpose of the Consent is to serve our clients more efficiently and in accordance with legal and regulatory requirements<sup>1</sup>.

Yours Faithfully

For and on behalf of J.P. Morgan India Private limited

*H. Bharucha*

Hoshi Bharucha

Authorized Signatory



\*J.P. Morgan India includes any of the following J.P. Morgan entities located in India: JPMorgan Chase Bank, N.A., India Branches, J.P. Morgan India Private Limited, J.P. Morgan Securities India Private Limited and J.P. Morgan Advisors India Private Limited, to whom the Information is provided.

Information shall include all documents and other information provided by us to JPMorgan India.

JPMorgan Chase Includes JPMorgan Chase & Co. [Incorporated in the State of Delaware, United States of America] and its subsidiaries and affiliates whether direct or indirect.

<sup>1</sup>SEBI Circular SMDRPD/ Policy/ Cir-50/2001 dated Nov 8, 2001



## CONSENT TO DISCLOSE INFORMATION

We, <Client Name >(including our authorized representative(s) and/or individuals connected with us) hereby authorize JPMorgan India<sup>1</sup> to disclose and /or transfer any Information<sup>2</sup> that may be provided to JPMorgan India by us as the underlying client directly or otherwise where we act / or will be acting as the investment manager ("**Consent**"). We also confirm that we have /and will have at all times, the requisite authority to act on behalf of each of the entities for whom we act / or will be acting as an investment manager or advisor. We confirm that we are authorized to provide this Consent on behalf of each legal entity that we represent / will represent.

### Purpose of Disclosure:

We hereby consent that JPMorgan India may disclose or transfer the Information to JP Morgan Chase<sup>3</sup> or any of its agents, sub contractors and or third parties (as the case may be) for any of the following purposes outlined herein:

- all future or existing customer due diligence, client verification procedures, ongoing account administration (including but not limited to monitoring, screening and sanctions risks assessment);;
- managing the client relationship and/or servicing us globally;
- performing control and risk management functions - including but not limited to monitoring credit exposure and anti-money laundering regulatory reporting and monitoring and trade surveillance review and monitoring; and
- enhancing operational, technology, finance and other support function efficiencies;

JPMorgan India shall ensure that such disclosure and/or transfer to such parties as mentioned hereinabove shall be subject to confidentiality obligations. Notwithstanding the foregoing, we confirm that you may disclose such Information without our consent where the disclosure is necessary or desirable for compliance of legal and or regulatory obligations of JPMorgan Chase, to courts, regulators and or government agencies and authorities who request such Information.

### Withdrawal of Consent:

We agree that any withdrawal of consent provided hereunder shall be effective only by a written notice issued by us to JPMorgan India. We understand that as a result of our withdrawal of consent, JPMorgan India shall have full discretion to discontinue dealing with us or providing any service without further notice or liability notwithstanding anything to the contrary that may be contained in any statement, agreement, affirmation, undertaking or letter in regard to the relationship with JPMorgan India. We agree that the withdrawal of consent and consequent discontinuance of services by JPMorgan India shall not restrict JPMorgan India and /or JP Morgan Chase from retaining the Information so provided by us in relation to any services already provided or otherwise under any other law for the time being in force.

### Acknowledgment:

We hereby agree and confirm that we have read and fully understood this Consent and the same shall be valid and binding on us.

For and on behalf of <Client Name>

Name:

Designation:

Signature:

Date:

Seal:

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<sup>1</sup> JPMorgan India includes any of the following J.P. Morgan entities located in India: JPMorgan Chase Bank, N.A., India Branches , J.P. Morgan India Private Limited, J.P. Morgan Securities India Private Limited and J.P. Morgan Advisors India Private Limited, to whom the Information is provided.

<sup>2</sup> Information shall include documents and other information (provided by us as the underlying client directly or otherwise where we act / or will be acting as an investment manager.

<sup>3</sup> JPMorgan Chase includes JPMorgan Chase & Co. [Incorporated in the State of Delaware, United States of America] and its subsidiaries and affiliates whether direct or indirect.

**DOC 7**  
**Appointment of Trader and Personnel \***

(\* Required if the board resolution does not contain the names of the people authorized to transact on the Client's behalf)

To

J.P. Morgan India Private Limited.  
J.P. Morgan Tower,  
Off C.S.T. Road,  
Kalina, Santacruz East,  
Mumbai - 400098

Gentlemen:

I am a (director/ ) of ("Client") and I hereby certify to you that I am authorised by and on behalf of Client to make the certifications contained herein.

I hereby certify that Client is authorised to establish one or more accounts with J.P. Morgan India Private Limited ("JPMIPL") for the purpose of trading in contracts for future delivery of financial instruments, foreign currency or precious metals or any other instruments (including options on any such contracts, options on physical commodities and options or stock indices) in which JPMIPL has notified Client that JPMIPL is prepared to conduct a business ("futures contracts"), on margin or otherwise.

I further certify that each of the following individuals, acting alone, be and hereby is authorised, in the name and on behalf of Client, to take all such actions as they may deem necessary or appropriate in connection with any transaction involving any account of Client with JPMIPL, including without limitation:

- (a) To buy, sell (including short sales), trade and otherwise deal in futures contracts, on margin or otherwise orally or by electronic means, and to agree to the terms and conditions regarding such trading, including entering into electronic trading agreements;
- (b) To deposit with or withdraw from any such account any Property, as defined in said Client Agreement;
- (c) To pay all premiums, commissions, fees or other charges of JPMIPL, and to deposit any margin required by JPMIPL;
- (d) To receive and acquiesce in the correctness of notices, confirmations, requests, demands, disputes and controversies, including but not limited to providing JPMIPL with instructions related to roll-overs, exercises, assignments and deliveries;
- (e) To settle, compromise, adjust, and give releases with respect to any and all claims, demands, disputes and controversies;

{f} To make agreements and take any other action relating to any of the foregoing matters; and JPMIPL shall be entitled to act in accordance with and in reliance upon any instructions, whether oral or written, that may be given by such individuals with respect to any account or transactions of Client.

Name Title:

Name Title:

Name Title:

Name Title:

Name Title:

Name Title:

Name Title:

Name Title:

Name Title:

("Client")

Signed By:

Name:

Title:

**Doc 9**  
**Consent under Information Technology**

J.P. Morgan India  
J.P. Morgan Tower,  
Off C.S.T. Road,  
Kalina,  
Santacruz East,  
Mumbai - 400098

***Subject:- Consent language for third parties (who are natural persons) to whom JP Morgan branch entities provide a service (clients)***

I have read and agree to the Privacy Policy of JP Morgan India<sup>2</sup> ("the Privacy Policy") which is hosted on its website at [www.jpmorgan.com/pages/jpmorgan/ap/in/home](http://www.jpmorgan.com/pages/jpmorgan/ap/in/home).

I understand that JP Morgan India may collect, use, hold, receive, possess, deal, handle, transfer and disclose sensitive personal information about me as described in the Privacy Policy. I understand and agree that the Privacy Policy may be changed from time to time and that it shall be my responsibility to keep myself updated on the same.

An indicative list of the names and addresses of entities which may collect and/or retain the sensitive personal information provided by me has been made available for my reference at [www.jpmorgan.com/pages/jpmorgan/ap/in/home](http://www.jpmorgan.com/pages/jpmorgan/ap/in/home). I understand that the complete list of the names and addresses of such persons would be made available to me for my reference when I request for the same in writing. I also agree and give my consent to JP Morgan Chase<sup>3</sup> having the right to appoint or replace the agency if any, collecting and retaining the sensitive personal information. In the event I have any queries/objections in relation to any of the aforesaid, I will bring the same to the attention of JP Morgan India in writing.

I also consent to JP Morgan Chase disclosing and/or transferring the sensitive personal information provided by me from time to time, as outlined in the Privacy Policy which I have read and understood.

JP Morgan Chase shall be entitled to use the sensitive personal information provided by me for the purposes mentioned herein or any other related document/agreement or for any purpose ancillary or incidental thereto as JP Morgan Chase may deem fit, and I hereby expressly again consent to such usage.

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<sup>1</sup> JP Morgan India includes any of the following JP Morgan entities located in India: JPMorgan Chase Bank, N.A., Mumbai Branch and such other branches as may be established in India from time to time, J.P. Morgan India Private Limited, J.P. Morgan Securities India Private Limited and J.P. Morgan Advisors India Private Limited to whom personal information/sensitive personal information is provided by the information provider as defined in the Privacy Policy.

<sup>2</sup> JP Morgan Chase includes J.P. Morgan Chase & Co. and its subsidiaries and affiliates whether direct or indirect and also includes JP Morgan India.

I undertake that I will not withdraw my consent provided hereunder unless the same is communicated to JP Morgan India in writing. I understand that notwithstanding that I may subsequently withdraw my consent, JP Morgan Chase may be required to retain sensitive personal information in relation to any services already provided or otherwise under any law for the time being in force. I fully understand that the sensitive personal information collected from me is required in connection with the services provided to me and consequently, JP Morgan India would have the absolute right to discontinue providing such services to me without any further notice or liability in the event that I withdraw such consent, notwithstanding anything to the contrary that may be contained in any statement, agreement, affirmation, undertaking or letter in regard to my relationship with JP Morgan India.

Signature:

Name:

Date:

## J.P.Morgan

Dear Sir,

### **Disclosure of Proprietary Trading**

Pursuant to Securities and Exchange Board of India circular dated November 19, 2003 bearing no. SEBI/MRD/SE/Cir-4212003 and National Stock Exchange of India Limited circular dated November 25, 2003 bearing no. NSE/INVG/PRE/2003/16 and The Stock Exchange, Mumbai circular dated November 25, 2003 bearing no. 2003125-7 we hereby inform you that J.P. Morgan India Private Limited (JPMIPL) currently does only client based business and does not trade on proprietary account.

Yours Faithfully,

For and on behalf of J.P. Morgan India Private Limited

*H.Bharucha*

Hoshi Bharucha

Authorized Signatory



## Investor Charter - Stock Brokers

### VISION

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

### MISSION

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

### **Services provided to Investors**

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

### **Rights of Investors**

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- **Understand** the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access.

- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

#### Various activities of Stock Brokers with timelines

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

#### DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> <li>1. Read all documents and conditions being agreed before signing the account opening form.</li> <li>2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.</li> <li>3. Read the product / operational framework / timelines related to various Trading and Clearing &amp; Settlement processes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Do not deal with unregistered stock broker.</li> <li>2. Do not forget to strike off blanks in your account opening and KYC.</li> <li>3. Do not submit an incomplete account opening and <b>KYC</b> form.</li> </ol>



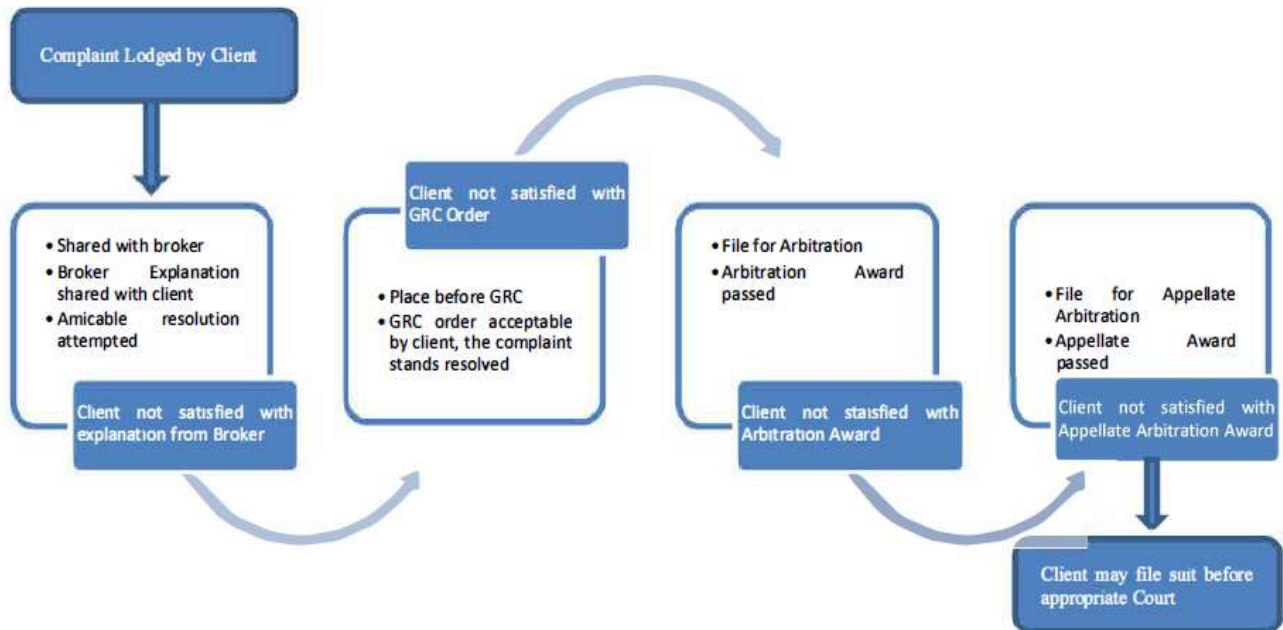
<ol style="list-style-type: none"> <li>4. Receive all information about brokerage, fees and other charges levied.</li> <li>5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.</li> <li>6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.</li> <li>7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.</li> <li>8. Receive funds and securities/ commodities on time within 24 hours from pay-out.</li> <li>9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.</li> <li>10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).</li> <li>11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.</li> </ol>	<ol style="list-style-type: none"> <li>4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.</li> <li>5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.</li> <li>6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.</li> <li>7. Do not opt for digital contracts, if not familiar with computers.</li> <li>8. Do not share trading password.</li> <li>9. Do not fall prey to fixed / guaranteed returns schemes.</li> <li>10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.</li> <li>11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.</li> </ol>
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### Grievance Redressal Mechanism

**Level 1** - Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

**Level 2** - Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.

Complaints Resolution Process at Stock Exchange explained graphically:



**Timelines for complaint resolution process at Stock Exchanges against stock brokers**

S. No.	Type of Activity	Timelines for activity
1.	Receipt of Complaint	Day of complaint (C Day).
2.	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3.	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4.	Amicable Resolution.	T+15 Working Days.
5.	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6.	Complete resolution process post GRC.	T + 30 Working Days.
7.	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8.	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
9.	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order

<b>S. No.</b>	<b>Type of Activity</b>	<b>Timelines for activity</b>
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF).The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

### **Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM)**

#### **Default of TM/CM**

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

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

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

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

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