



Member : National Stock Exchange of India Limited  
 SEBI Regd. Nos.: NSE - CM - INB230856436 Dated 12/01/1996  
 SEBI Regd. Nos.: NSE-F&O- INF230856436 Dated 14/06/2007  
 Depository Participant: NSDL CMBP ID NO. IN508106

## Client Registration Form

### INDIVIDUAL/HUF

Regd. Office : 2, Ground Floor, Century Arcade, Narangibaug Road, Pune – 411 001.  
 Tel No. +91-20-26165821/27/33 E-mail Id: [info@jadesecurities.in](mailto:info@jadesecurities.in)  
 Compliance officer : Mrs. Sangeeta Rokade Tel. No.020-26160407 Email : [sangeeta@jadesecurities.in](mailto:sangeeta@jadesecurities.in)  
 Investor Grievance Cell at NSE: E-mail [ignse@nse.co.in](mailto:ignse@nse.co.in) Tel. No.(022)26598190 Fax no.(022) 26598191.

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

For any grievance/dispute please contact stock broker at the above address, email id and phone no. In case not satisfied with the response, please contact the concerned exchange at investor grievance, phone no. given above.

### KNOW YOUR CLIENT (KYC) APPLICATION FORM

#### INDEX Annexure – 1

#### MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES

S. No.	Name of the Document	Brief Significance of the Document	Page No's
1	Account Opening Form	A KYC form - Document captures the basic information about the constituent and an instruction/check list. B. Document captures the additional information about the constituent relevant to trading account and an instruction/check list.	2-4 2-4
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).	5-9
3	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the securities market.	10-12
4	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	13-14
5	Policies and Procedures	Document describing significant policies and procedures of the stock broker <i>(to be added by the stock broker)</i> .	15-16
6	Tariff sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s) <i>(to be added by the stock broker)</i> .	16

#### VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER

7	Authorisation of Running Account & ECN	Authorisation for Running Account & Authorization for receiving of Electronic Contract Notes	17
8	Write up on PMLA	(for information only)-brief write up on PML Act-2002	18-22.

## Documents Required

1. Pan Card Xerox
2. Latest IT Return
3. Latest Demat Account Statement.
4. Latest Copy of Bank Statement / Passbook / Cancelled Cheque.
5. Passport / driving license / ration card/ BSNL telephone bill / Electricity bill (Any One)
6. Cheque Of Rs.200/- infavour of Jade Securities Pvt. Ltd

## Checklist

- Please fill up the form in CAPITAL letters.
- Please initial any over writings done.
- If any information required does not fit in the form, separate sheet may be used
- Each Client has to use one registration form. In case of joint names / family member's please submit separate forms for each person.
- Information provided in KYC shall be kept confidential and the same shall not be disclosed to any person / entity / except as required under the law or Client.
- Kindly provide self attested Xerox copy of Required documents (To be Certified with Original):
- Bank & depository Account details to be given through which transactions will generally be routed

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### For Office use Only

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### In Person Verification

(Originals verified) True copies of documents received	Signature of the authorised Signatory		
	Name		
	Signature		
(Self – Attested ) Self Certified Document copies received	Designation		
	Date		

**KNOW YOUR CLIENT FROM FOR INDIVIDUAL CASH & F&O SEGMENT OF NSE****JADE SECURITIES PRIVATE LIMITED**

Member – National Stock Exchange of India Ltd.

NSE SEBI Regd. No:- INB/230856436 Dated 12/01/1996

F&amp;O SEBI Regd. No:- INF/230856436 Dated 14/06/2007

Clg. No.08564

2<sup>nd</sup> Ground Floor, Century Arcade,

Narangibaug Road, Pune – 411 001.

Affix recent  
passport size  
photograph & sign  
across it.**PERSONAL DETAILS**

Name (Surname First)			
Date of Birth (dd/mm/yyyy)	Sex	Male /Female	Marital status
Educational Qualification	Residential status		Residence / NRI / Other
PAN Number.	Unique ID No (Aadhar)		

**RESIDENTIAL ADDRESS**

Address			
	City	Pin Code	
	State	Country	
Tel. No / Fax No.	Mobile No		
Email ID			

**CORRESPONDENCE ADDRESS**

Address			
	City	Pin Code	
	State	Country	
Tel. No / Fax No.	Mobile No		

**PARTICULARS OF BANK ACCOUNT**

Bank Name	Account No.	
Branch , Add. & Tel No.	Account Type	Saving / Current
MICR No.	IFS Code	

(Copy of a cancelled cheque leaf /pass book/ bank statement containing name of the constituent should be submitted)

**DETAILS OF YOUR ACCOUNT WITH DEPOSITORY PARTICIPANT (DP)**

Account With	DP ID	CLIENT ID	Name & Address of DP with tel.
NSDL	IN		
CDSL	IN		

Investment / trading experience

Market Value of your current portfolio

-----Years in stocks,-----Years in derivatives

As on \_\_\_\_/\_\_\_\_/\_\_\_\_ Rs. \_\_\_\_\_ Lacs

**DETAILS OF YOUR FINANCIAL POSITION / NET WORTH**

Annual Income Range (Tick where Applicable)	Below Rs.1 lac .	Rs.1 lac to Rs.5 lac	Rs 5 lac to Rs. 10 lac
	Rs 10 lac To Rs. 25 lac.	Above Rs. 25 lac	
PLEASE GIVE DETAILS AS PER IT RETURN	Year ( )	Year ( )	Year ( )
Annual income in last three Years (Rs. In 000)			

X (Client Sign.)

**MARKET SEGMENT YOU TO TRADE**

\* Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client

Exchange Segment	Capital Market / Cash.Segment	Derivatives
NSE		

# If in future, the clients w ants to trade on any new segment/new exchange, separate authorization / letter should be taken from the client by the stock broker.

**DEALINGS THROUGH SUB-BROKER**

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

Name			
Regd. Off Address			
Signature		SEBI Reg. No.	
		Tel No.	

**OCCUPATIONAL DETAILS**

<b>Occupation:</b>	Employed	Self Employed	Business	Professional	Housewife	Other
Name of the Employer / Establishment						
Office Address						
	City		Pin Code			
	State		Tel. No.			

**PAST ACTIONS**

<b>Details of any action/ proceedings initiated/pending/taken by SEBI/Stock exchange/any other authority against the applicant constituent or its partners/promoters/whole time directors/authorize persons in change of dealing in securities during the last 3 years</b>	
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**DETAILS OF YOUR BROKING ACTIVITIES**

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

Broker's Name Address & Tel. No.		Exchange		Client Code	
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**ADDITIONAL DETALIS**

Whethere you wish to receive phcial contract note for Electronic Contract Note (ECN) (please specify)	Yes	No
Specify your email ID if applicable:		
Number of years of Investment/ Trading Experience		

**DETAILS OF THE INTRODUCING CLIENT**

Name		Signature	
Address			
Tel.			

**PLEASE SIGN THIS DECLARATION**

I/We hereby declare that the details furnished above are true &amp; 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 our untrue or misleading or misrepresenting, I am /we are aware that I /We may held liable for it.

Name			(Client Sign.)	
Place	Date			

**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, livery/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 there under 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 there under.

#### **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 there under 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, I 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 there under of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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

(All the clauses mentioned in the "Rights and Obligations document(s) shall be applicable, Additionally, the clauses mentioned herein shall also 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 and the exchanges from time to time.
2. The client is desirous of investing / trading in securities and for this purpose, that 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 brokers IBT service to the client, and the client avail of the stock brokers IBT service, on and subject to SEBI / Exchanges Provisions and the terms and conditions specified on the stock brokers IBT website 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 futures, 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 avail 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 user name and password confidential and secured 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 user name and / or password whether or not such person was authorized to do so. Also the client is aware that authorization technologies and strict security measures are required for the internet trading / securities trading through wireless technology through order routed systems 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, discovered security flaw in stock broker's IBT system, discovers / suspects discrepancies / unauthorized access through his user name / 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 understand the risk 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 Clients 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 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 Brokers IBT system or service or Exchange's service or systems or 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.

**X (Client Sign.)**

**(Sub Broker / A. P.)**

**Authorised Signatory  
(JADE SECURITIES PVT LTD)**

## 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 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.

### **2.3 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. GENERAL**

**3.1** 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.

**3.2** 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.

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

**TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement

and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in 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 opted for maintaining running account and payout of funds and securities is not received on the next working day of the receipt of payment from the exchanges. Please refer 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. Please register your mobile number and e-mail 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**

- 15.** 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 investors. Ensure that you lodge a claim with relevant stock exchanges within the stipulated period and with the supporting documents. Familiarize yourself with 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 Buy-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**

- 16.** Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock broker are displayed on the website of the relevant stock exchange.
- 17.** 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.  
Note that all stock brokers / 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.

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**(Sub Broker / A. P.)**

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**POLICIES AND PROCEDURES APPLICABLE TO CLIENTS****1. Refusal of orders for Penny Stocks:**

Company deals in the securities which are listed on the Stock Exchanges and in the form of Demat. Company does not undertake the trading in penny stock as they are susceptible to manipulation and risky for the investor/client and in turn to Company. Penny Stock for this purpose shall include stock appearing in the list of illiquid securities issued by the Exchanges from time to time.

**2. Setting up of Client's Exposure Limits:**

As part of risk management, Company shall set client's exposure limits depending on the type of securities provided as Margin / available funds in the client's ledger and the client profile/ financial status. Exposure limits are also set based on categories of stocks / position (derivatives) client can trade. Securities that are acceptable as margin and their categorization may be changed by Company from time to time at its sole discretion. Company shall apply such haircuts as it may deem fit, on the approved securities against which the Exposure limits are given to the client. Company may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/Exchanges as part of its Risk Management System.

The client agrees to abide by the exposure limit set by the Company/Exchange/SEBI from time to time. The client is liable to pay an initial margin up front. Further more, the client is liable to pay or receive daily margin against the position undertaken.

**3. Applicable Brokerage Rate:**

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

**4. Imposition of penalty or Delayed payment Charges:**

The Clients are required to settle the pay in / provide margin within the limits set by the exchanges /SEBI. In case the client fails to provide the same within the prescribed time, delayed payment charges @2 % per month or such rate as it may think fit, shall be levied on the client's account.

**5) The Right to sell client's securities or close client's positions, without giving notice to the client, on account of non payment of client's dues:**

Client accepts to comply with the requirement of payment of margin / settlement obligations within the prescribed time limit. Without prejudice to the stock broker's other right, the stock broker shall entitled to liquidate / close out all or any of client's position without giving notice to the client for non payment of margins or other amounts including the pay in obligation, outstanding debts, etc and adjust the proceeds of such liquidation / close out, if any, against the clients liabilities / obligations.

**6) Shortages in obligations arising out of Internal netting of trades:**

Company shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the company from the Exchange, the clearing corporation / clearing house or other company or entity liable to make the payment and the client has fulfilled his/ her/ its obligation first. In case of failure of delivery, the same shall be met through fresh market purchase and the said purchases will be charged to the defaulting client's account.

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

Client may take exposure upto the amount of margin available with the company. Client may not be allowed to take position in case of non availability / shortage of margin as per our RMS policy of the company.

**8) Temporarily suspending or closing of clients account at the client's request:**

On the request of the client in writing, the client account can be suspended temporarily, provided the client account is settled. And the same can be activated on the written request of the client only and on the compliance of KYC requirements. During the period client account is suspended, the market transaction in the client account will be prohibited.

**9) Deregistering a client:**

Deregistration / termination of the client shall be at the discretion of the company. Company may deregister the client in the following cases:

- a. Client breaches the terms and conditions of the Member Client Agreement or provide any false information or declaration.
- b. Client is suspected to involve in any activity in violation of applicable rules and regulations.
- c. On the death of the client, in case of individuals and on the dissolution of the firm, in case of partnership firm.

**10) Treatment of Inactive Client:**

Client account will be considered as inactivate if the client does not trade for period of one year. Such account may be blocked for the further transactions. The client may have to submit written request for the reactivation of the account.

These policies may be changed / amended and the amendment may be informed to the client in writing. Policy for Return of Clients Assets.

**Tariff sheet****Capital Market Segment**

	Slab %	Minimum (Rs.)			Slab %	Minimum (Rs.)
A. Delivery Based				Trade for trade/Odd lot		
B. Daily Square up						

**Futures & Options Segment**

	Futures		Option (on premium)	
	Slab %	Minimum (Rs.)	Slab %	Minimum (Rs.)
A. Delivery Based				
B. Daily Square up				

- The above rates are exclusive of transaction charge, Stamp Duty, Securities Transaction Tax and Service Tax which will be charged extra at the rate prevailing from time to time.
- The General rates are mentioned here shall be applied unless the special rates as may be agreed by the sub-broker/ Authorized person/Introducer and client and the same are mentioned here.

Client Code		Client Name	
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(JADE SECURITIES PVT LTD)**



**RUNNING ACCOUNT AUTHORISATION**

**NON MANDATORY**

\_\_\_\_\_  
To,  
M/s Jade Securities Private Limited  
2, Ground Floor, Century Arcade,  
Narangibaug Road,  
Pune- 411 001.

I/We are dealing through you as a client in Capital Market and/or Future & Option segment & in order to facilitate ease of operations and upfront requirement of margin for trade. I/We authorize you as under:

1. I/We request you to maintain running balance in my account & retain the credit balance in any of my/our account and to use the unused funds towards my/our margin / settlement obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing corporation unless I/we instruct you otherwise.
2. I/We request you to retain securities with you for my/our margin / settlement obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing Corporation, unless I/we instruct you to transfer the same to my/our account.
3. I/We request you to settle my fund and securities account once in every calendar quarter/once in a calendar month or such other period as allowed by SEBI/Exchange from time to time.
4. In case I/We have an outstanding obligation on the settlement date, you may retain the requisite securities/funds towards such obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges.
5. I/We confirmed you that I will bring to your notice any dispute arising from the Statement of account or settlement so made in writing within 7 working days from the date of receipt of funds/securities or statement of account or statement related to it, as the case may be at your registered office. Agree that we shall not be liable for any incidental loss/damage caused due to retention of funds and/or securities.
6. I/we confirm you that I/we can revoke the above mentioned authority by giving a notice in writing to you at any time.
7. I/We understand that the running account authorization would continue until it is revoked by the clients.

Thanking you,

Yours faithfully,

Place:	Signature:
Date:	Name of the Client:

**E-Mail consent to receive the contract note and trade confirmation**

**NON MANDATORY**

E-Mail id \_\_\_\_\_  
I/We hereby consent to receive the contract note/trade confirmations of the trades executed by me/us, bills and account statements there of, notice, circulars, amendments and such other correspondence or documents in electronic form duly authenticated by means of a digital signatures as specified in the information technology Act, 2000 and the rules made there under, to any of my above mentioned e-mail ids.

I/We further hereby agree that the member shall fulfill the legal obligation, if the above documents are sent electronically to above e-mail ids. I/We agree that the member will not be responsible for non-receipt of documents sent via electronic delivery due to change in e-mail address/correspondence address as mentioned aforesaid. I/We also agree that the member shall not take cognizance of out of office/out of station auto replies and I/We shall be deemed to have received such electronic mails.

I/We hereby by agree to communicate any change in the e-mail id provided by me in writing to the stock broker or by e-mail request for the same sent by secured access ( by way of client specific user id and password for internet clients).

Non receipt of Bounced back mail shall amount to delivery of contract notes.

**Declaration**

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

Signature :- \_\_\_\_\_ Client Code & Name :- \_\_\_\_\_

## **Prevention of Money Laundering Act, 2002**

- 1 Prevention of Money Laundering Act, 2002 (PMLA 2002) forms the core of the legal framework put in place by India to combat money laundering. PMLA 2002 and the Rules notified there under came into force with effect from July 1, 2005.3.2.
- 2 The PMLA 2002 and Rules notified there under impose an obligation on intermediaries (including Jade Securities Pvt. Ltd. brokers and sub-brokers) to verify identity of clients, maintain records and furnish information to the Financial Intelligence Unit (FIU) - INDIA
  - All cash transactions of the value of more than Rs.10 lakhs or its equivalent in foreign currency.
  - All series of cash transactions integrally connected to each other. Which have been valued below Rs.10 lakhs or its equivalent in foreign currency such series of transactions within one calendar month.
  - All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as Demat account, security account maintained by the registered intermediary.

For the purpose of suspicious transactions reporting apart from transactions integrally connected, Transaction remotely connected or related need to be considered.

**“Suspicious Transactions”** means a transaction whether or not made in cash which to a person acting in good faith

- a. Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime or
- b. Appears to be made in circumstances of unusual or unjustified complexity or
- c. Appears to have no economic rationale or bonafide purpose.

The Anti Money laundering guidelines provides a general background on the subjects of money laundering and terrorist financing in India and provides guidance on the practical implications of the PMLA. The PMLA Guidelines sets out the steps that a registered intermediary and any of its representatives need to implement to discourage and identify any money laundering or terrorist financing activities.

### **OBJECTIVE:**

The main objectives of the PMLA are as follows:

1. To have a proper customer Due Diligence (CDD) process before registering clients.
2. To monitor / maintain records of all cash transactions of the value of more than Rs.10 lacs.
3. To maintain records of all series of integrally connected cash transactions within one calendar month.
4. To monitor and report suspicious transactions.
5. To discourage and identify money laundering or terrorist financing activities.
6. To take adequate and appropriate measures to follow the spirit of the PMLA.

### **GUIDELINES:**

Broker being a SEBI registered intermediaries have to comply with spirit of anti money laundering provisions to comply with PMLA, the following three specific parameters should be observed, which are related to the overall ‘ Client Due Diligence Process’.

- 1.Policy for acceptance of clients.
- 2.Procedure for identifying the clients.
- 3.Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR)

### **Client / Customer Due Diligence measures the following:**

#### **1. Client information & Identity:**

Before registering client, obtain antecedent information, Verify independently information submitted by client but not limited to his identity, registered office address, correspondence address, contact details, occupation, Promoters / Directors, source of income, experience in securities market, PAN no. SEBI Registration No. etc. Obtain as many as information. Generally institutional client are recognize at global level. We need to verify clients identity and origin using services of Bloomberg, Reuters, internet service of any other reliable, independent source documents, data or information. After verifying information, registration form along with other supporting documents should be approved by Compliance Officer Designated for verification.

## **2. Beneficial Ownership and control**

After completing registration process, client account should be verified by independent employee to check the actual beneficial ownership and control of the particular account, We need to obtain the details with respect to shareholders, Promoters from the client and it has to be verified independently. In this process we should find out who is authorized to operate client's account and who is ultimately controlling the account. Also verify the sources of funds for funding the transaction. We also have to take care at the time of settlement regarding nature of transactions, movement / source of transaction, etc. Periodically ask for client's financial details to determine the genuineness of transaction.

The “**Beneficial Owner**” is the natural person or persons who ultimately own, control or influence a client and / or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.

## **3 Ongoing due diligence and scrutiny:**

Periodically we need to conduct due diligence and scrutiny of client's transactions and account to ensure that transactions are being conducted in knowledge to find out the risk profile, source of funds etc. At regular interval, ongoing due diligence and scrutiny need to be conduct i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Organization's knowledge of the client, its business and risk profile, taking into account where necessary, the customer's sources of funds.

### **• POLICY FOR ACCEPTANCE OF CLIENTS:**

Before registering client, we need to identify the following details of the prospective client:

1. Ascertain the category of clients before registration as Client, (i.e. individual or Corporate, Mutual Fund, PMS or other)
2. Obtain all necessary documents for registration, (Photograph, Photo identity, Proof of Address, copy of PAN etc.) Documents should be verified with original and same to be counter signed by authorized representative of the organization.
3. Obtain copy of Bank statement for ascertaining the mode of payment of transaction.
4. Registration of clients to be made on physical presence of the prospective client.
5. Obtain antecedent details of the prospective client.
6. Ensure that new registration is to be made in clients name only.
7. Ensure that account should not opened in fictitious or benami name.
8. Client's occupation, sources of income.
9. Determine the parameter to categories of client as per risk.
10. Obtain financial statement for at least for last 2 years duly certified by Chartered Accountants.
11. Ensure that all details of KYC form should be complete in all respect incomplete KYC should not accept by organization.
12. Organization should not register client in case any kind of doubt has been raised by client (i.e. unable to submit required form / proof, any suspicious behavior noticed at the time of registration etc)
13. Account should not opened where organization cannot apply customer Due Diligence / KYC policies.
14. The client's account should be scrutinized regularly for determining nature of transaction taken place. In case of any suspicious transaction, the account should be freezer or securities / money should not be delivered to client.

The following safeguards are to be followed while accepting the clients:

- a) The client account should not be opened in a fictitious / benami name or on an anonymous basis.
- b) Risk perception of the client need to defined having regard to :
  1. Client's location (registered office address, correspondence address and other address if applicable)
  2. Nature of business activity, tracing turnover etc and
  3. Manner of making payment for transactions undertaken.

The parameters of clients into low, medium and high risk should be classified, Clients of special category (as given below) may be classified as higher risk and higher degree of due diligence and regular update of KYC profile should be performed.

- c) Documentation like KYC, Broker-Client agreement and Risk Disclosure Document and other information from different category of client prescribed by SEBI and any other regulatory authority to be collected depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act, 2002, guideline issued by RBI and SEBI from time to time.
- d) Ensure that a client account is not opened where the organization is unable to apply appropriate client's due diligence measure / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to the organization is suspected to be non-genuine. Perceived non-co-operation of the client in providing full and complete information. Discontinue to do business with such a person and file a suspicious activity report.

We can also evaluate whether there is suspicious trading in determining whether to freeze or close the account. Should be cautious to ensure that it does not return securities or money that may be from suspicious trades. However, we can consult the relevant authorities in determining what action should be taken when is suspects suspicious trading.

- e) We need to comply with adequate formalities when client is permitted to act on behalf of another person / entity. It should be clearly specified the manner in which the account should be operated, transaction limits for the operation, additional authority required for transaction exceeding a specified quantity / value and other appropriate details. The rights and responsibilities of both the persons (i.e. the agent-client registered with Broker, as well as the person on whose behalf the agent is acting) should be clearly laid down. Adequate verification of a person's authority to act on behalf the customer should be carried out.
- f) Necessary checks and balance to be put in place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

**Acceptance of clients through Risk-Based Approach:**

The clients may be of a higher or lower risk category depending on circumstances such as the customer's background, type of business relationship or transaction etc. We should apply each of the clients due diligence measures on a risk sensitive basis. We should adopt an enhanced customer due diligence process for higher risk categories of customers. Conversely, a simplified customers due diligence process may be adopted for lower risk categories of customers, in line with the risk-based approach, we should obtain type and amount of identification information and documents necessarily dependent on the risk category of a particular customer.

**Clients of special category (CSC):**

CSC clients include the following:

1. Non-resident clients (NRI)
2. High Net worth clients (HNI)
3. Trust, charities, NGO's and organizations receiving donations.
4. Companies having close family shareholding or beneficial ownership.
5. Politically exposed persons (PEP) of foreign origin
6. Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, close advisors and companies in which such individual have interest or significant influence)
7. Companies offering foreign exchange offerings.
8. Clients in high risk counties (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy. Countries active in narcotics production, Countries where corruption (as per Transparency international corruption Perception index) is highly prevalent, countries against which government sanctions are applied countries reputed to be any of the following – havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
9. Non-face to face clients.
10. Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and we should exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

## **Client identification procedure:**

### **To follow the client identification procedure we need to follow the following factors:**

- The ‘Know Your Client’ (KYC) policy should be strictly observed with respect to the client identification procedures which need to be carried out at different states i.e. while establishing the Broker – Client relationship, while carrying out transactions for the client or when have any doubts regarding the veracity or the adequacy of previously obtained client identification data.
- The client should be identified by using reliable sources including documents / information. Obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
- The information should be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed in compliance with the Guidelines. Each original documents should be seen prior to acceptance of a copy and it is verified and duly attested.
- Failure by prospective client to provide satisfactory evidence of identity should be noted and reported to the higher authority within the organization.
- SEBI has prescribed the minimum requirements relating to KYC for certain class of the registered intermediaries from time to time. Taking into account the basic principles enshrined in the KYC norms, internal guidelines should be followed in dealing with clients and legal requirements as per the established practices. Also maintain continuous familiarity and follow-up where it notices inconsistencies in the information provided by the client. The principles enshrined in the PMLA Act, 2002 as well as the SEBI Act, 1992 should be followed, so that Company is aware of the clients on whose behalf it is dealing.

### **Record Keeping:**

For the purpose of the record keeping provisions, we should ensure compliance with the record keeping requirements contained in the SEBI Act 1992, Rules and Regulations made there-under, PLM Act 2002 as well as other relevant legislation, Rules Regulations, Exchange Bye-laws and Circulars.

Records to be maintained should be sufficient to permit reconstruction or individual transactions (including the amounts and type of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior.

Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing financial profile of the suspect’s account. To enable this reconstruction, organization should retain the following information for the account of their customers in order to maintain as satisfactory audit trail.

- a. The beneficial owner of the account.
- b. The Volume of the funds flowing through the account and
- c. For selected transactions.
  - The origin of the funds
  - The form in which the funds were offered or withdrawn e.g. cash, cheque etc
  - The identity of the person undertaking the transaction;
  - The destination of the funds;
  - The form of instruction and authority.

Organization should ensure that all client and transaction records and information are made available on a timely basis to the competent investigating authorities.

### **Retention of Records:**

The following document retention terms should be observed:

- a. All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of ten years (10) from the date of cessation of the transaction.

- b. Records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence should also be kept for the ten years from the date of cessation of the transactions.
- c. Records shall be maintained in hard and soft copies.

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

**Monitoring of Transaction:**

Regular monitoring of transactions is required for ensuring effectiveness of the Anti Money Laundering procedures.

Special attention required to all complex, unusually large transactions / patterns which appear to have no economic purpose. Internal threshold limits to specify for each class of client's accounts and pay special attention to the transactions, which exceeds these limits.

Should ensure that the records of transactions is preserved and maintained in terms of the PMLA 2002 and that transaction of suspicious nature or any other transaction notified under section 12 the act is reported to the appropriate authority. Suspicious transactions should also be regularly reported to the higher authorities / head of the department.

Further the Compliance Department should randomly examine select transaction undertaken by clients to comment on their nature i.e. whether they are in the suspicious transactions or not.

➤ **Suspicious Transaction monitoring & Reporting:**

Whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances. Following are the circumstances, which may be in the nature of suspicious transactions:-

- a. Clients whose identify verification seems difficult or clients appears to be not co-operating.
- b. Asset management services for clients where the source of the funds is not clear or not in keeping with client's apparent standing / business activity;
- c. Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdiction;
- d. Substantial increase in business without apparent cause.
- e. Unusually large cash deposits made by an individual or business;
- f. Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- g. Transfer of investment proceeds to apparently unrelated third parties;
- h. Unusual transactions by "client of special category (CSCs)" and businesses undertaken by shall corporations, offshore banks / financial services, business reported to be in the nature of export-import of small items.

Any suspicion transaction needs to be notified immediately to the designated principal officer. The notification may be done in the form of a detailed report with specific reference to the client's transactions and the nature / reason of suspicion. However, it should be ensured that there is continuity in dealing with the client as normal until told other wise and the client should not be told of the report / suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken.

**In accordance with Designated Principal Officer for Compliance with the provisions of "Prevention of Money Laundering Act, 2002 (PMLA):"**

**CENTRAL KYC REGISTRY | Know Your Customer (KYC) Application Form | Individual**



**Important Instructions:**

- A) Fields marked with "\*" are mandatory fields.
- B) Please fill the form in English and in BLOCK letters.
- C) Please fill the date in DD-MM-YYYY format.
- D) Please read section wise detailed guidelines / instructions at the end.
- E) List of State / U.T code as per Indian Motor Vehicle Act, 1988 is available at the end.
- F) List of two character ISO 3166 country codes is available at the end.
- G) KYC number of applicant is mandatory for update application.
- H) For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.

**For office use only** (To be filled by financial institution)

Application Type\*  New  Update

KYC Number  (Mandatory for KYC update request)

Account Type\*  Normal  Simplified (for low risk customers)  Small

**1. PERSONAL DETAILS** (Please refer instruction A at the end)

	Prefix	First Name	Middle Name	Last Name
<input type="checkbox"/> Name* (Same as ID proof)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Maiden Name (If any*)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Father / Spouse Name*	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mother Name*	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth*	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Gender*	<input type="checkbox"/> M- Male	<input type="checkbox"/> F- Female	<input type="checkbox"/> T-Transgender	
Marital Status*	<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried	<input type="checkbox"/> Others	
Citizenship*	<input type="checkbox"/> IN- Indian	<input type="checkbox"/> Others (ISO 3166 Country Code <input type="text"/> <input type="text"/> )		
Residential Status*	<input type="checkbox"/> Resident Individual	<input type="checkbox"/> Non Resident Indian		
	<input type="checkbox"/> Foreign National	<input type="checkbox"/> Person of Indian Origin		
Occupation Type*	<input type="checkbox"/> S-Service ( <input type="checkbox"/> Private Sector	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Government Sector )	
	<input type="checkbox"/> O-Others ( <input type="checkbox"/> Professional	<input type="checkbox"/> Self Employed	<input type="checkbox"/> Retired <input type="checkbox"/> Housewife <input type="checkbox"/> Student)	
	<input type="checkbox"/> B-Business			
	<input type="checkbox"/> X- Not Categorized			

**PHOTO**

Signature / Thumb Impression

**2. TICK IF APPLICABLE**  RESIDENCE FOR TAX PURPOSES IN JURISDICTION(S) OUTSIDE INDIA (Please refer instruction B at the end)

ADDITIONAL DETAILS REQUIRED\* (Mandatory only if section 2 is ticked)

ISO 3166 Country Code of Jurisdiction of Residence\*

Tax Identification Number or equivalent (if issued by jurisdiction)\*

Place / City of Birth\*  ISO 3166 Country Code of Birth\*

**3. PROOF OF IDENTITY (PoI)\*** (Please refer instruction C at the end)

(Certified copy of any one of the following Proof of Identity [PoI] needs to be submitted)

<input type="checkbox"/> A- Passport Number	<input type="text"/>	Passport Expiry Date	<input type="text"/>
<input type="checkbox"/> B- Voter ID Card	<input type="text"/>		
<input type="checkbox"/> C- PAN Card	<input type="text"/>		
<input type="checkbox"/> D- Driving Licence	<input type="text"/>	Driving Licence Expiry Date	<input type="text"/>
<input type="checkbox"/> E- UID (Aadhaar)	<input type="text"/>		
<input type="checkbox"/> F- NREGA Job Card	<input type="text"/>		
<input type="checkbox"/> Z- Others (any document notified by the central government)	<input type="text"/>	Identification Number	<input type="text"/>
<input type="checkbox"/> S- Simplified Measures Account - Document Type code	<input type="text"/>	Identification Number	<input type="text"/>

**4. PROOF OF ADDRESS (PoA)\***

**4.1 CURRENT / PERMANENT / OVERSEAS ADDRESS DETAILS** (Please see instruction D at the end)

(Certified copy of any one of the following Proof of Address [PoA] needs to be submitted)

Address Type\*  Residential / Business  Residential  Business  Registered Office  Unspecified

Proof of Address\*  Passport  Driving Licence  UID (Aadhaar)

Voter Identity Card  NREGA Job Card  Others  please specify

Simplified Measures Account - Document Type code

Address

Line 1\*

Line 2

Line 3

District\*  Pin / Post Code\*  State / U.T Code\*  ISO 3166 Country Code\*







(To be filled by individuals whose country of Birth is India, citizenship is India and residence for tax purposes is India and is not a US person)

### **FATCA/CRS Declaration Form (for individuals)**

To,  
M/s Jade Securities Private Limited.  
2, Ground Floor, Century Arcade,  
Narang Baug Road,  
Pune 411 001

I hereby declare that:

- My country of Birth is India, my citizenship is India, my residence for tax purposes is India.
- I am not a "US person" as defined in Rule 114F of the Income Tax Rules, 1962 as amended.
- I understand that M/s Jade Securities Private Limited is relying on this information for the purpose of determining the status of the applicant name above in compliance with FATCA/CRS, Jade Securities Pvt. Ltd. is not able to offer any tax advice on CRS or FATCA or its impact on the applicant I shall seek advice from professional tax advisor for any tax questions.
- I agree that as may be required by domestic regulators/tax authorities the Jade Securities Pvt. Ltd. may also be required to report, reportable details to CBDT or close suspend my account.
- I certify that I provide the information on this form and to the best of my knowledge and belief the certification is true, correct and complete.

Signature :-	
Name :-	
Date :-	
PAN Number :-	