

BROKER NORMS

CONTRACT NOTE

Every Trading Member 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 with all relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. A contract note shall be signed by a Trading Member or his Authorised signatory or constituted Attorney.

The Contract Notes shall be numbered with unique running serial number commencing from one which shall be reset only at the beginning of every financial year. In case separate series are maintained in respect of different dealing offices of the trading member, then the dealing office name or code shall be prefixed to the serial number.

A contract note may also be issued by a Trading Member in electronic form in such format as may be prescribed by the Exchange from time to time duly authenticated by means of a digital signature as specified in the Information Technology Act, 2000 and the

Rules made there under.

BROKERAGE

All the orders entered on the Trading System shall be at prices exclusive of brokerage. Trading Members shall charge brokerage at rates not exceeding such scale as the Exchange may from time to time prescribe.

A Trading Member shall charge brokerage separately to their constituents and this shall be indicated separately from the price, in the contract note.

INTEREST, DIVIDEND, RIGHTS/BONUS AND CALLS

The buyer shall be entitled to receive all coupons, dividends, bonus, rights and other privileges which may appertain to securities cum coupon, cum dividend, cum bonus, cum

rights, etc. and the seller shall be entitled to receive all coupons, dividends, bonus issues,

rights and other privileges which may appertain to securities sold ex coupon, ex dividend,

ex bonus, ex rights, etc.

MARGIN FROM THE CONSTITUENTS

The Trading Members shall have the right to demand from its constituents the Margin Deposit which the member has to provide under these Trading Regulations in respect of the business done by the Members for such constituents.

The Trading Members shall buy securities on behalf of the constituent only on the receipt

of margin of minimum such percentage as the relevant authority may decide from time to

time, on the price of the securities proposed to be purchased, unless the constituent already has an equivalent credit with the broker. The Trading Member may not, if so desire, collect such a margin from Financial Institutions, Mutual funds and Foreign Institutional Investors.

The Trading Members shall buy securities on behalf of the constituent only on the receipt

of margin of minimum of such percentage as the relevant authority may decide from time

to time, on the price of the securities proposed to be sold, unless the Trading Member has

received the securities to be sold with valid transfer documents to his satisfaction prior to

such sale. The Trading Member may not, if so desire, collect such a margin from Financial Institutions, Mutual funds, and Foreign Institutional Investors.

The Trading Member shall obtain a written undertaking from the constituents that the latter shall when called upon to do so forthwith from time to time provide a Margin Deposit

and/or furnish additional Margin as required under these Rules and Regulations in respect of the business done for the constituent by and/or as agreed upon by constituent

with the Trading Member concerned.

The Trading Member may keep the unutilized margin deposits of his client in bank deposits and pay interest on the same at such rate as may be mutually agreed in writing between the Trading Member and his constituent out of the interest accrued on the said deposits.

TRADING MEMBER IN DEFAULT

For the purpose of Byelaw 8 of Chapter X of the Byelaws of the Exchange, the period within which a constituent shall close out his contract shall be seven trading days from the

date of pay out of securities due to him; Provided however, if the constituent has not effected the close out as stated above, he shall be deemed to have closed out at the highest price of the said security deliverable to him from the date of trading till the 7th trading day from the date of pay out and loss or damage referred in the said Byelaw shall

be ascertained accordingly.

CONSTITUENT IN DEFAULT

If a constituent fails to make payment of consideration to the trading member in respect of

any one or more securities purchased by him before the pay- in date notified by the Exchange from time to time, the Trading Member shall be at liberty to sell the securities received in pay-out, in proportion to the amount not received, after taking into account any

amount lying to the credit of the Constituent, by selling equivalent securities at any time on the Exchange not later than the fifth trading day reckoned from the date of pay- in. If

the trading member has not sold the securities for any reason whatsoever, such securities shall be deemed to have been closed out at the close out price declared by the Exchange for the fifth trading day. The loss, if any, on account of the close out shall be to the account of the Constituent. If a Constituent fails to deliver any one or more securities to the pool account of the trading member in respect of the securities sold by him before the pay- in date notified by the Exchange from time to time, such undercharged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close-out price, as may be debited to the Trading Member in respect of the security for the respective settlement, to the extent traceable to the Constituent who has failed to deliver; otherwise the close out price on the date of pay-out in respect of the relevant securities, declared by the Exchange. The loss, if any, on account of the close out shall be to the account of the Constituent. Subject to what is stated above, no further claims shall lie between the Constituent and Trading Member. Explanation: If for any reason, schedule of pay-in and pay-out is modified the above provision shall be made applicable reckoning the actual date of pay-in and/or pay-out, as the case may be.

AGREEMENT

Every Trading Member shall enter into an agreement with each of his constituents, i.e. clients, before accepting or placing orders on the constituent's behalf. Such agreement, shall include provisions specified by the Exchange in this behalf and shall be in such format as may be prescribed by the Exchange from time to time. The term constituent herein shall not include a Participant. The Exchange may categories constituents into such types as may be necessary for the above purpose and specify the clauses to be included in agreements to be entered into by the Trading Member depending on the category of such constituent. However the Trading Member's responsibility shall not in any way is reduced due to non-execution of agreement with the constituent; Provided however, a Trading Member and a Constituent, who is a SEBI registered Foreign Institutional Investor, Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor, Scheduled Commercial Bank, Multilateral and Bilateral Development Financial Institution, State Industrial Development Corporation, Insurance Company registered with IRDA and Public Financial Institution as defined under Section 4A of the Companies Act, 1956, may, at their discretion, decide about the requirement of entering into such agreement.

Every Trading Member shall enter into an agreement with each of his Sub brokers, before accepting or placing orders on behalf of the Constituents of the Sub-broker. Such agreement shall include provisions specified by the Exchange in this behalf and shall be in such format as may be prescribed by the Exchange from time to time. However the Trading Member's responsibility shall not in any way be reduced due to non-execution of

agreement with the Sub-broker.

Every Trading Member and each of his recognized Sub-brokers affiliated to him shall enter into a tripartite agreement from such date as may be specified by SEBI / the Exchange, with each of the Sub-broker's Constituents, i.e. clients, before accepting or placing orders on the Constituent's behalf. Such agreement shall include provisions specified by the Exchange in this behalf and shall be in such format as may be prescribed

by the Exchange from time to time. However the Trading Member's and Sub-broker's responsibility shall not in any way be reduced due to non-execution of agreement with the

Constituent.

When establishing a relationship with a new client, Trading Members must take reasonable steps to assess the background, genuineness, financial soundness of such person and his investment objectives by obtaining from the new client/constituent a Constituent Registration Form in such format as may be prescribed by the Exchange from

time to time;

Provided however, a Trading Member may, at his discretion, not obtain Constituent Registration Form from a Constituent, who is a SEBI registered Foreign Institutional Investor, Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor, Scheduled Commercial Bank, Multilateral and Bilateral Development Financial Institution,

State Industrial Development Corporation, Insurance Company registered with IRDA and

Public Financial Institution as defined under Section 4A of the Companies Act, 1956.

Trading Member shall make the Constituent aware of trading segment to which Trading Member is admitted, particulars of SEBI registration number, employee primarily responsible for the Constituents affairs, the precise nature of the Trading Member's liability for business to be conducted, basic risks involved in trading on the Exchange (equity and other instruments) including any limitations on the liability and the capacity in

which the Trading Member acts and the Constituent's liability thereon, investors' rights and obligations, etc. by issuing to the Constituent a Risk Disclosure Document in such format, as may be prescribed by the Exchange from time to time and shall obtain the same from his Constituents duly signed, from such date as may be specified by the Exchange. Signing of the Risk Disclosure Document is optional in case of institutional clients

The Trading Member shall provide extracts of relevant provisions governing the rights and

obligations of constituents as constituents of Trading Members including Participants as prescribed in the Bye-laws, Rules and Regulations, relevant manuals, notifications, circulars, any additions or amendments thereto etc. of the Exchange, or of any regulatory

authority, to the extent it governs the relationship between Trading Members and constituents, to the constituents at no extra cost. The Trading Member shall also bring to

the notice of his constituents, including Participants any indictments, penalties etc. imposed on him by the Exchange or any other regulatory authority.

Recommendations to the constituents: (a) A Trading Member shall make adequate disclosures of relevant material information in its dealing with his constituents. (b) No Trading Member or person associated with the Trading Member shall guarantee a constituent against a loss in any securities transactions effected by the Trading Member with or for such constituent.

GUIDELINES GOVERNING RELATIONSHIP BETWEEN TRADING MEMBER AND CONSTITUENT

The Trading Member shall not recommend to the constituent a sale or purchase of securities traded on the Trading System, unless he has reasonable grounds to believe that such recommendation is suitable for the constituent on the basis of the facts, if any, disclosed by the constituent, whether in writing or orally, regarding the constituent's security holdings, financial soundness and investment objectives.

The Trading Member shall make adequate disclosures of relevant material information in

dealing with the constituent including the current best price of trade and trade or order quantities on the Trading System, as also any allocation policy inter se constituents, any relevant announcement from the Exchange relating to margin, trading restrictions as to price, quantity or where the Trading Member is the counter party to a trade executed on the TERMINAL with the constituent.

Where the Trading Member manages a discretionary account for or on behalf of the constituent, he should abide by the Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993.

The Trading Member shall not furnish any false or misleading information or advice with a

view to inducing the constituent to do business in particular securities and which will enable the Trading Member to earn a gain thereby.

The Trading Member shall explain the TERMINAL Trading System and order matching process to the constituent before accepting any orders from him.

Trading Members shall inform their Constituents whether they do client based trading or Pro-account trading. Trading Members shall disclose the aforesaid information-

(a) to their existing Constituents within such period as specified by the Exchange;

(b) to their new Constituents upfront at the time of entering into Member-Client Agreement;

(c) to their Constituents before carrying out any Pro-account trading, in case they presently do not do Pro-account trading, but choose to do so at a later date.

Where the constituent requires an order to be placed or any of his order to be modified after the order has entered the system but has not been traded, the Trading Member may, if it so desires, obtain order placement/modification details in writing from the constituent. The Trading Member shall accordingly provide the constituent with the relevant order confirmation/modification slip or copy thereof, forthwith, if so required by the constituent.

Where the constituent requires any of his orders to be cancelled after the order has been

entered in the system but has not been executed, the Trading Member may, if it so

desires, obtain the order cancellation details in writing from the constituent. The Trading Member shall accordingly provide the constituent with the relevant order cancellation details, forthwith, if so required by the constituent.

The Trading Member may, if it so desires, obtain in writing, the delivery and payment requirement in any instructions of an order that it receives from the constituent. Where a Trading Member receives a request for order modification or order cancellation from the constituent, it shall duly bring it to their notice that if the order results in a trade in the meantime, the requests for modification or cancellation cannot be executed.

The Trading Member shall not accumulate constituent's order/unexecuted balances of order where such aggregate orders / aggregate of unexecuted balance is greater than the

Regular lot size, specified for that security by the Exchange. The Trading Member shall place forthwith all the accumulated orders where they exceed the Regular lot size.

The Trading Member agrees to act promptly in accordance with instructions provided by the constituent unless it has discretion as to timing, in which case it must exercise its judgment as to the best moment.

The Trading Member shall provide constituent with a copy of the trade confirmation slip as generated on the Trading System forthwith on execution of the trade, if so desired by the constituent.

In addition to the guidelines issued by SEBI relating to the regulation of transactions between clients and brokers, member shall at all times keep the moneys of the constituent in a separate bank account.

Where the member is required to pay margin money on transaction executed on behalf of

the constituent, it shall collect the same from the constituent in such form and manner as

may be prescribed by EXCHANGE.

Where the constituent requires an executed trade to be cancelled, the Trading Member shall obtain a written request for trade cancellation from the constituent. In all instances of

trade cancellation requests, the member shall explain to the constituent that the right to approve or reject such trade cancellation requests rests with the Exchange.

The Trading Member shall make pay out of funds or delivery of securities, as the case may be, to the Constituent within one (1) working day of receipt of the payout from the Exchange.

Trading Members should not accept cash from the constituents whether against obligations or as margin for purchase of securities and/or give cash against sale of securities to the constituents.

All payments shall be received / made by the Trading Members from/to the constituents strictly by account payee crossed cheque/demand drafts or by way of direct credit into the

bank account through EFT, or any other mode allowed by RBI. The Trading Members shall accept cheque drawn only, for their transactions. However, in exceptional circumstances the Trading Member may receive the amount in cash, to the extent permissible under the provisions of Income Tax Act or Rules, circulars, directives issued/prescribed there under as may be in force from time to time.

Similarly in the case of securities also, giving / taking delivery of securities in 'demat mode' should be directly to / from the 'beneficiary accounts' of the Constituents except delivery of securities to a recognized entity under the approved scheme of the Exchange and /or SEBI.

CODE OF CONDUCT FOR TRADING MEMBERS

ADHERENCE TO SEBI CODE OF CONDUCT

The Trading Member shall at all times subscribe to the Code of Conduct as prescribed by the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.

GENERAL PRINCIPLES

- (a) Professionalism: A Trading Member in the conduct of his business shall observe high standards of commercial honor of just and equitable principles of trade.
- (b) Adherence to Trading Practices: Trading Members shall adhere to the Rules, Regulations and Byelaws of the Exchange and shall comply with such operational parameters, rulings, notices, guidelines and instructions of the relevant authority as may be applicable from time to time.
- (c) Honesty and Fairness: In conducting his business activities, a Trading Member shall act honestly and fairly, in the best interests of his constituents.
- (d) Capabilities: A Trading Member shall have and employ effectively the resources and procedures which are needed for the proper performance of his business activities.

TRADING PRINCIPLES

- (a) Trading Members/Participants shall ensure that the fiduciary and other obligations imposed on them and their staffs by the various statutory Acts, Rules and Regulations are complied with.
- (b) Trading Members/Participants shall ensure
 - (i) That any employee who commits the Trading Members or Participants to a transaction has the necessary authority to do so
 - (ii) That employees are adequately trained in operating in the relevant market segment in which they deal, are aware of their own, and their organization's responsibilities as well as the relevant Statutory Acts governing the Trading Member, the Rules, Regulations and Bye-laws of the Exchange including any additions or amendments thereof.
- (c) Trading Member shall be responsible for all the actions including trades originating through or with the use of all following variables - Trading Member Id, User Id, valid User password at that point of time. However if the Trading Member satisfies the Exchange that the action(s) and /or trade(s) took place due to fraud or misrepresentation by any other person other than his authorized person(s) and that the action(s) and/or trades did not originate from any of his approved workstations, the Exchange may issue such

directions as it considers just and reasonable. The directions may include referring the matter to arbitration and/or annulment of trade(s) so affected.

(d) When entering into transactions on behalf of constituents, the Trading Members shall

ensure that they abide by the Code of Conduct and regulations as enumerated in the current chapter of these regulations.

(e) No Trading Member or person associated with a Trading Member shall make improper

use of constituent's securities or funds.

(f) No Trading Member shall publish and circulate or cause to be published or circulated,

any notice, circular, advertisement, newspaper article, investment service or communication of any kind which purports to report any transaction as a purchase or sale

of any security unless such Trading Member can establish if called for that such transaction was a bonafide purchase or sale of such security or which purports to quote the purchase/sale price for any security unless such Trading Member can establish if called for that such quotation represents a bonafide order of such security.

(g) When entering into or arranging transactions, Trading Members must ensure that at all

times great care is taken not to misrepresent in any way the nature of transaction.

(h) No Trading Member shall exercise any discretionary power in a client's account unless

such client has given prior written authorization to a stated individual or individuals and the account has been accepted by the Trading Member, as evidenced in writing by the Trading Member.

(i) A Trading Member shall not act as a principal or enter into any agreement or arrangement with a client or client's agents, employees or any other person connected to

the client, employee or agency, whereby special or unusual rates are given with intent to

give special or unusual advantage to such client for the purpose of securing his business.

(j) The facility of placing orders on 'Pro-account' through trading terminals shall be availed

by the Trading Members only at one location of the Trading Members as specified / required by the Trading Members. Any trading terminal located at a place other than the above location shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by the Exchange / SEBI. In case any trading member requires the facility of using 'Pro-account' through trading terminals from more than one location, such trading member shall request the Exchange stating the reason for

using the 'Recout' at multiple locations and the Exchange may, on a case to case basis

after due diligence, consider extending the facility of allowing use of 'Pro-account' from more than one location.

GENERAL GUIDELINES

A Trading Member shall desist from the following trading practices while conducting business on the Exchange.

(a) **Shielding or Assisting:** No Trading Member shall shield or assist or omit to report any Trading Member whom he has known to have committed a breach or evasion of any Rules, Bye-Laws or Regulations of the Exchange or of any resolution, order, notice or direction there under of the Governing Board or the Managing Director or of any committee or officer of the Exchange authorized in that behalf.

(b) **Suspended Securities:** Except with the permission of the Exchange, business shall not

be transacted by the Trading Member in securities which have been suspended from official quotation.

(c) **Misleading Transactions:** A Trading Member shall not

(i) make bids and/or offers for securities with an intention of creating a false or misleading

appearance with respect to the market for, or the price of any security or;

(ii) make a transaction or give an order for the purchase or sale of securities, the execution of which would involve no change of beneficial ownership, unless the Trading Member had no knowledge that the transaction would not involve a change in the beneficial ownership of securities.

(d) **Use of information obtained in Fiduciary Capacity:** A Trading Member who in the capacity of paying agent, transfer agent, trustee, or in any other similar capacity, has received information as to the ownership of securities, shall under no circumstances make use of such information for the purpose of soliciting purchases, sales except at the

request and on behalf of the issuer.

UNFAIR TRADING PRACTICES

4.6.1 No Trading Member shall execute or cause to be executed or participate in an account for which there are executed purchases of any eligible security at successively higher prices, or executed sales of any such security at successively lower prices, for the

purpose of creating or inducing a false, misleading or artificial appearance of activity in such security or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

4.6.2 No Trading Member shall, for the purpose of creating or inducing a false or misleading appearance of activity in an eligible security or creating or inducing a false or misleading appearance with respect to the market in such security,

(a) enter any order or orders for the purchase of such security with knowledge that an order or orders of substantially the same size, and at substantially the same price, for the

sale of any such security, has been or will be entered by or for the same or different parties, or

(b) enter any order or orders for the sale of such security with the knowledge that an order

or orders of substantially the same size, and at substantially the same price for the

purchase of such security has been or will be entered by or for the same or different parties.

4.7 Every Sub-broker shall comply with all relevant statutory Acts, including Securities Contracts (Regulation) Act, 1956 and Rules thereunder of 1957, and Securities Exchange

Board of India Act, 1992 and Rules, Regulations and guidelines thereunder, Byelaws, Rules and Regulations of the Exchange and the requirements of and under any notifications, directives, guidelines and circulars issued by SEBI and/or the Exchange.

RECORDS, ANNUAL ACCOUNTS & AUDIT

RECORDS

Every Trading Member shall comply with all relevant statutory Acts, including Securities Contracts (Regulation) Act, 1956 and Rules there under of 1957, and Securities Exchange Board of India Act, 1992 and Rules, Regulations and guidelines there under, and the requirements of and under any notifications, directives and guidelines issued by the Central Government and any statutory body or local authority or any body or authority

acting under the authority or direction of the Central Government relating to maintenance

of accounts and records.

In addition to the requirements as per Regulation 6.1.1 above, every Trading Member of the Exchange shall comply with the following requirements and such other requirements as the Exchange may from time to time notify in this behalf relating to books of accounts,

records and documents in respect of his membership and trading on the CM segment of the Exchange.

Every Trading Member of the Exchange shall maintain the following records relating to its

business for a period of five years either in hard form or nontamperable soft form.

(a) Statements of fund and securities obligations received from the clearing house.

(b) Records in respect of dividend/ interest received on securities of constituents, monies

borrowed and loaned including monies received.

(c) Records in respect of brokerage collected separately from constituents.

(d) Register of transaction (or other records of original entry) containing an itemized daily

record of all purchases and sales of securities, showing for each such transaction effected, the name of securities, value of securities, rates both gross and net of brokerage

and name of constituents.

(e) Register or Ledger Account of Securities, client wise and security wise, giving, inter alias, the following details viz., date of receipt of the security, quantity received, party from

whom received, purpose of receipt, date of delivery of the security, quantity delivered, party to whom delivered and purpose of delivery and a separate register or ledger in respect of its own securities.

Every Trading Member of the Exchange may for the purpose of better internal control and

management, if it so desires, also maintain the following records relating to its business

(a) Order confirmation slips, Order modification slips as obtained from the trading system

of the Exchange

(b) Trade confirmation slips as obtained from the trading system of the Exchange

(c) Record of all statements received from the settling agencies and record of all correspondence with them.

(d) Order Book reflecting the following:

(i) Identity of person receiving the order

(ii) Date and time of order received

(iii) Name of person placing the order

(iv) Name of constituent, description and value of securities to be bought and sold

(v) Terms and conditions of the order stating particularly price/rate limit or price/rate related instructions and time limit on the order (if any)

(vi) The order number as per the trading system of the Exchange or Trading Member order number as the case may be.

(vii) Any modification or cancellation thereof including cases when it is cancelled by the system or cancelled due to maturity of an instrument.

(viii) If executed, the price/rate at which executed and to the extent feasible, the time of execution or cancellation and trade number as per the trading system of the Exchange.

(ix) Reference number of the contract issued in case of executed orders.

(x) Orders entered pursuant to the exercise of discretionary power shall be so designated.

(xi) Entries of orders shall be serially numbered.

(e) Reports produced from the trading system like Order log and Trades Done Today

(f) Copies of all instructions obtained in writing from constituents including Participants for

an order placement, order modification, order cancellation, trade cancellation, etc. Every Trading Member of the Exchange shall preserve the originals of the documents, both in electronic and physical form, copies of which have been taken by CBI, Police or any other

enforcement agency during the course of any investigation till the trial is completed.

Trading Members shall maintain and preserve for a period of seven years a mapping of client IDs used at the time of order entry in the trading system with those unique client IDs

along with client name, address and other particulars given in the Know Your Client form.

Every Trading Member shall keep such books of accounts, as will be necessary, to show

and distinguish, in connection with his business as a Trading Member:

(i) The moneys received from or on account of and moneys paid to or on account of each

of his clients and,

(ii) The moneys received and the moneys paid on Trading Member's own account.

It shall be compulsory for all Trading Members to keep the money of the clients in a separate account and their own money in a separate account. No payment for transaction

in which the Trading Member is taking a position as a principal will be allowed to be made

from the client's account.

The transfer from client's account to Trading Member's account shall be allowed under circumstances enumerated below:

(i) **Obligation to pay money into "Clients account":** Every Trading Member who holds or receives money on account of a client shall forthwith pay such money to current or deposit account at bank to be kept in the name of the Member in the title of which the word "Clients" shall appear (hereinafter referred to as "Clients Account"). Trading Member

may keep one consolidated clients account for all the clients or accounts in the name of each client, as he thinks fit; provided that when a Trading Member receives a cheque or draft representing in part money belonging to the client and in part money due to the Trading Member, he shall pay the whole of such cheque or draft into the clients account and effect subsequent transfer as laid down below in Para (iii.B).

(ii) **Moneys to be paid into "clients account":** No money shall be paid into clients account other than

A. money held or received on account of clients;

B. such moneys belonging to the Trading Member as may be necessary for the purpose of opening or maintaining the account;

C. money for replacement of any sum which may by mistake or accident have been drawn from the account;

D. a cheque or draft received by the Trading Member representing in part money belonging to the client and in part money due to the Trading Member.

(iii) **Moneys to be withdrawn from "clients account":** No money shall be drawn from clients

account other than

A. money properly required for payment to or on behalf of clients for or towards payment

of a debt due to the Member from clients or money drawn on client's authority, or money in respect of which there is a liability of clients to the Trading Member, provided that money so drawn shall not in any case exceed the total of the money so held for the time being for such each client;

B. such money belonging to the Trading Member as may have been paid into the client account under para (ii.B) and (ii.D) above. Money which may by mistake or accident has been paid into such account.

(iv) **Right to lien, set-off etc., not affected:** Nothing in this para 1 shall deprive a Trading Member of any recourse or right, whether by way of lien, set-off, counter-claim charge(s)

or otherwise against moneys standing to the credit of clients account.

Every Trading Member shall send a complete 'Statement of Accounts' for both funds and

securities in respect of each of its clients in such periodicity not exceeding three months

(calendar quarter) within a month of the expiry of the said period. The Statement shall also state that the client shall report errors, if any, in the Statement within 30 days of receipt thereof to the Trading Member.

The Trading Members shall keep a separate ledger account for each client in respect of the transactions on the Exchange and shall not mingle such account with the account of the client in respect of transactions of any other stock exchange or any other transaction which the trading member may enter into with such client.

The Trading Members shall keep the dematerialized securities of Constituents in a separate beneficiary account distinct from the beneficiary account maintained for holding

their own dematerialized securities. No delivery towards the own transactions of the Trading Members shall be allowed to be made from the account meant for Constituents. For this purpose, every Trading Member is required to open a beneficiary account in the name of the Trading member exclusively for the securities of the Constituents (hereinafter

to be referred to as "Constituents beneficiary account"). A Trading Member may keep one

consolidated Constituents' beneficiary account for all its Constituents or different accounts

for each of its Constituents as it may deem fit.

Securities to be delivered into Constituents beneficiary account: No security shall be delivered into Constituents beneficiary account, other than

A. securities held or received on account of Constituents towards margin or security deposit

B. securities for replacement of those which may by mistake or accident have been drawn

from the account. Securities to be withdrawn from Constituents beneficiary account: No security shall be drawn from Constituents beneficiary account other than A. when they are

properly required, for delivery to or on behalf of Constituents, for or towards meeting the Constituents' margin or pay- in obligations;

B. what are drawn under Constituents' authority in respect of which there is a liability of Constituents to the Trading Member;

C. securities which by mistake or accident have been deposited into the account;

Provided further that the securities so drawn shall not in any case exceed the securities so held for the time being for the respective Constituent.

Every Trading Member shall maintain permanently copies of agreements executed with each of its constituent in accordance with the Exchange requirements.

Every Trading Member shall maintain permanently copies of agreements executed with each of the settling agencies or banks.

Every Trading Member shall maintain record of all relevant particulars of persons which are approved as Users by the Exchange.

Every Trading Member shall maintain originals of all communications received and copies

of all communications sent by such Trading Member (including interoffice memo and communications) relating to its business as such.

M/s. Dhwaja Shares & Securities Pvt. Ltd.
Member of BSE , NSE , MSEIL (Cash , CDS & F&O)

Every Trading Member shall maintain all guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect

of any account and copies of resolutions empowering an agent to act on behalf of a Trading Member.

Every Trading Member shall maintain all written agreements (or copies thereof) entered into by that Trading Member relating to its business as such, including agreements with respect to any account.

Every Trading Member shall preserve for a period of not less than six years after the closing of any constituent's account any records which relate to the terms and conditions

with respect to the opening and maintenance of such account, date of entering into agreement with the constituent, date of modification thereof, date of termination and representatives of such constituent who signed in each case.

A Trading Member shall intimate to the Exchange the place where these records are kept

and available for audit/inspection.

The above requirements relating to maintenance of records shall apply not only to records

of the member's principal office but also to those of any branch office and to any nominee

company owned or controlled by a Trading Member for the purpose of conducting the business of the Trading Member.

Each Trading Member shall keep and preserve a record of all written complaints of its constituents showing the reference number of constituent, date, constituent's name, particulars of the complaints, action taken by the Trading Member, if the matter is referred

to arbitration to the Exchange then the particulars thereof.

Every Trading Member shall maintain details of securities which are the property of a Trading Member showing with whom they are deposited and if held otherwise than by the

member, whether they have been lodged as collateral security for loans or advances.

Every Trading Member shall keep copies/duplicates of Contract Notes issued by the Member and details of any statements which are required by these Rules to appear on Contract Notes.