

# CLIENT REGISTRATION FORM

## FOR INDIVIDUALS



# LSE SECURITIES LIMITED

(A SUBSIDIARY OF LUDHIANA STOCK EXCHANGE LIMITED)

## The Ludhiana Stock Exchange

Branch Head/SUB-BROKER NAME	
CLIENT NAME	
CLIENT CODE	
PAN No.	

**Note :** The information to be given in the Form is the sole property of LSE Securities Limited and would not be disclosed to any one unless required by law or except with the permission of the client.

# LSE SECURITIES LIMITED

Trading cum Clearing Member of NSE (INB231087033), NSE - F&O (INF-231087033) & BSE (INB011087039)  
and  
Depository Participant with NSDL (IN301846) and CDSL (IN25400)

**Registered Office :** SCO 50, 1st Floor, Sector 34-A, Chandigarh. Ph. : 0172-5065460  
**Corporate Office :** 1st Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana-141 001 (Punjab)  
Phone : 0161-4612317, 4612318, 5068131 Fax : 0161-3011157, 5068138, 2404748  
Email : admin@lsesl.com, kyc@lsesl.com, igc@lsesl.com

# INSTRUCTIONS FOR FILLING ACCOUNT OPENING FORM

## (FOR INDIVIDUALS)

(Please read carefully before filling the form)

### MANDATORY

#### A. FOR INDIVIDUAL

1. Please use Capital Letters only while filling Account Opening Form -
2. Please provide one passport size photograph of the account holder.
3. Please provide photocopy of any one of the following documents as Identity proof
  - a. Valid Passport
  - b. PAN Card
  - c. Driving License
  - d. Voter ID Card
4. Please provide photocopy of any one of the following documents as address proof:
  - a. Valid Passport
  - b. Ration Card
  - c. Driving License
  - d. Voter ID Card
  - e. Latest Bank Statement / Passbook (having name & address of the BO) (not more than 4 months old)
  - f. Latest Electricity Bill (not more than 2 months old)
  - g. Residence Telephone Bill (not more than 2 months old)
  - h. Lease and License Agreement/ Agreement for Sale/ Rent Agreement
  - i. Self-declaration by High Court & Supreme Court Judges, giving the new address in respect of their own account
  - j. Identity Card/Document with applicant's photo issued by Govt. affiliated authorities.
5. Please provide Email ID.
6. Please provide photocopy of a cancelled Cheque Leaf/ Pass Book./ Bank Statement containing name of the constituent (not more than 4 months old)
7. Please provide latest attested photocopy of Holding/ Transaction Statement or Client Master of your Depository Account (not more than 3 months old)
8. Please provide the photocopy of permission letter either issued by RBI or by Authorized Dealer in case of NRI.
9. Signature should match with PAN signature.
10. Please provide latest Income Tax return.

#### B. FOR MINOR

1. All documents as required in case of individual
2. Date of birth certificate of minor
3. Letter from guardian
4. One photograph of minor, guardian with signature across the photograph
5. The guardian to sign on all the documents on behalf of minor including on the photograph of the minor

#### C. PROPRIETORSHIP FIRMS

1. All the documents as required in case of individual
2. Copy of PAN Number of proprietorship firm
3. Declaration by proprietor on letterhead of the firm

#### ADDITIONAL DOCUMENTS FOR TRADING IN DERIVATIVE SEGMENT

1. Copy of ITR Acknowledge
2. Copy of Annual Account
3. Net worth Certificate
4. In case of Salaried persons Latest Salary Slip and Form 16 copy
5. Bank account statement for last six months
6. Copy of Demat account Holding Statement
7. Any other relevant documents substantiating ownership of assets
8. Self declaration along with relevant supporting

#### Note:

- a. Client Registration Form complete in all respects should be handed over to the LSE Securities Limited for account opening process.
- b. **All documents submitted by the applicant like Proof of Identity, Address, Cancelled Cheque, Bank Statement, Bank Pass Book etc. must be Self Attested and the applicant must produce the originals of the same.**
- c. Complete signature of the client on all the pages is required and in case of proprietorship firm signature are required under firm rubber stamp.
- d. Please affix the photograph **duly signed across** (please do not staple), separate photograph each account holder/ guardian/ authorized person would be required.
- e. Full signature of the client is required on all pages marked

**PAN IS MANDATORY FROM 01-10-2006 FOR TRADING IN SECURITIES MARKET**

Dear Client,

**Reg. : Mandatory and Non-Mandatory Documents under Uniform Documentary Requirements for Trading**

This has reference to the KYC, Member-Consituent Agreements/Tripartite agreement and other related documents being executed by you for the purpose of availing the securities facilities from the Company.

We wish to inform you that as per model format of uniform set of documents prescribed by SEBI vide circular number SEBI/MIRSD/DPS-I/Cir-31/2004 dated August 26, 2004, the book has two parts:

(A) MANDATORY (B) NON MANDATORY)

**(A) MANDATORY DOCUMENTS**

Name of the document	Page No.
(1) Know your client (KYC) Form	3 - 6
(2) Tripartite agreements	7 - 30
(3) Member client agreement (MCA)	31-39
(4) Risk disclosure document (RDD)	40-43
(5) Norm for the Regulations of transactions between LSE Securities Limited and its clients as per SEBI circular MIRSD/SE/CIR 19/2009 Dated Dec. 3.2009	44
(6) Investor's Rights and Obligations	45-46

**(B) NON MANDATORY DOCUMENTS**

1	Declaration to be given by guardian (in case of account opening for minor)	
2	Declaration with regard to client with LSE Securities Ltd. through sub-broker	1
3	Agreement for Internet Trading Facility	2-5
4	Authorization letter for given authority to Third Person to act on his behalf.	6
5	Declaration by firm (Sole proprietorship)	7
6	Authorization for maintenance of running account.	8
7	Consent of joint holders in respect of joint demat account.	9
8	Consent of joint holders in respect of joint bank account.	10

The additional clauses in member client agreement/ Tripartite agreement and additional documents have been introduced by us for the operational and administrative convenience and for providing you certain additional facilities. You have an option to reject or refuse to execute any of the additional documents.

Kindly make a note of the above and exercise your option while executing Member-Client Agreement/Tripartite agreement and other non- mandatory documents. Even after execution of the Client Regulation Documents, you have a right to terminate any or all of these additional documents and / or to reject any or all of the non-mandatory clauses of Member Client Agreement/Tripartite agreement by giving us 15 days notice in writing. However, in such an eventuality the company shall terminate the additional facility and shall also have the right to review our contractual relation and/or terminate the member-constituent agreement/ Tripartite agreement.

Assuring our best services  
For LSE Securities Limited

Authorized Signatory

I have Read and Understood the contents above

Signature : ☒

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

# KNOW YOUR CLIENT

(This information is the sole property of the trading member / brokerage house and would not be disclosed to anyone unless required by law or in case of express permission of client.)

## LSE SECURITIES LIMITED

Trading cum Clearing Member of NSE (CM), NSE (FO) and BSE (CM)

**Registered Office** : SCO 50, 1st Floor, Sector 34-A, Chandigarh.  
**Corporate Office** : 1st Floor, Ludhiana Stock Exchange Building,  
 Feroze Gandhi Market, Ludhiana.

**SEBI Regn. No.** : NSE-CM(INB-231087033), NSE-F&O(INF-231087033)  
 BSE-CM(INB-011087039)

**Photograph**

Please sign  
across the  
Photograph

**Dear Sir/Madam,**

I/ We request you to register me/ us as your client and enable me/us to trade in Cash and Derivatives Segment of National Stock Exchange of India Limited and cash segment of The Stock Exchange, Mumbai pursuant to the Agreement entered into with you. I/ We have read the rules, bye-laws, regulations of the cash segment as well as the Derivatives Segment of the above Exchanges and agree to abide by them. In this regard, I/We give the following information :

### CLIENT INFORMATION

### CASH AND DERIVATIVES

Name																		
Name of Father/ Spouse/ Guardian																		
Date of Birth																		
Sex (Please tick)	Male									Female								
Marital Status (Please tick)	Married									Un-married								
PAN																		
Residential/ Address (Please attach address proof)																		
Correspondence Address (Please attach address proof)																		
	City									Pin								
	State									Country								
Nationality																		
Telephone Numbers										Fax No.								
Email ID										Mobile No.								
Status (Please tick whichever is applicable)	Resident Indian									NRI - Re-patriable								
	NRI-Non re-patriable									Others (Specify)								
Action taken by SEBI or any regulatory authorities (during last 3 years)										1 <input checked="" type="checkbox"/> _____ (Client Signature)								

## BANK DETAILS

(Through which transaction will generally be routed for Funds to be transferred)

Sr. No.	Bank Name	Branch Address	Account Number	Account Type (Saving/Current/ NRI/ Other)

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

## DEPOSITORY DETAILS

(Through which transaction will generally be routed or shares to be transferred)

Sr. No.	DP Name	DP ID	Address of DP	Beneficiary Owner Account Number
		NSDL - CDSL -		
		NSDL - CDSL -		
		NSDL - CDSL -		
		NSDL - CDSL -		

(Please provide latest transaction / holding statement obtained from the DP)

(Please mention DP ID No. against the relevant depository i.e. NSDL/CDSL)

## OCCUPATION DETAILS

(Please tick whichever is applicable)

Employed	<input type="checkbox"/>	Self Employed	<input type="checkbox"/>	Business	<input type="checkbox"/>	Professional	<input type="checkbox"/>	House Wife	<input type="checkbox"/>	Others	<input type="checkbox"/>
----------	--------------------------	---------------	--------------------------	----------	--------------------------	--------------	--------------------------	------------	--------------------------	--------	--------------------------

### If Employed

Name of Employer			
Address of Employer			
	City		Pin
	State		Country
Phone/Mobile No. (with STD/ISD Code)		Fax	

### If Self Employed (if Self Employed Business/ Profession/ Others)

Name of Establishment			
Office Address (if Self Employed/ Business/ Profession/ Others)			
	City		Pin
	State		Country
Phone/Mobile No. (with STD/ISD Code)		Fax No.	

2 (X)

(Client Signature)

## FINANCIAL DETAILS

**INCOME RANGE (PER ANNUM).** (Please tick whichever is applicable)

Below Rs. 1 Lac		Between Rs. 1 Lac to Rs. 5 Lacs	
Between Rs. 5 lacs to Rs. 10 lacs		Between Rs. 10 lacs to Rs. 25 lacs	
Above Rs. 25 lacs			

## INVESTMENT/TRADING EXPERIENCE

(Please tick whichever is applicable)

Investment Experience in Stocks	Yes		No		No. of years	
Investment Experience in Derivatives	Yes		No		No. of years	
Investment Experience in other investment related fields	Yes		No		No. of years	
Trading Preference	NSE		BSE		Both	
Market Segments	Cash Market		Derivatives Market		Debt Market/ Mutual Fund	

## DETAILS OF REGISTRATION WITH OTHER BROKER

Name of Broker	
Name of Exchange	
Client Code	

## REFERENCES

Name of Introducer						
Address and Telephone Number of the Introducer						
PAN Number of Introducer						
Relation of the Introducer with LSE Securities Limited (Please tick whichever is applicable)	Another Client		Director		Employee of the trading member	
	Employee of Sub-broker		Any other Person		Sub-broker	
Signature of Introducer						

3 (X)

(Client Signature)

**BROKERAGE SLABS FOR CASH SEGMENT***(Exclusive of Service Tax, STT and any other Statutory Levies)*

Brokerage Slab	Slab %	Minimum Paise	Table No.
Daily Square Up (Trading)			
Delivery Based			

**OTHER CHARGES**

DP Transaction Charges	Yes		No	
------------------------	-----	--	----	--

**BROKERAGE SLABS FOR DERIVATIVES SEGMENT***(Exclusive of Service Tax, STT and any other Statutory Levies)*

Brokerage Slab	Futures	Options	Minimum
Normal Expiry			
Daily Square Up			

**OTHER CHARGES**

DP Transaction Charges	Yes		No	
------------------------	-----	--	----	--

**DECLARATION BY THE CLIENT**

I hereby declare that all the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting I am aware that I may be held liable for it and you shall have the right to cancel my registration and LSE Securities Limited/ Exchange shall have the right to debar me/ us from doing business in both Derivatives and Cash Segments.

Name of the Client		4 (X) Signature of the Client	
Date	/ / 20__	Place	

**FOR BRANCH OFFICE/ SUB-BROKER'S OFFICE USE****INTERNAL RECORDS**

Name of Branch Head/ Sub-broker	
Name of Exchange	
Client Code	

**FOR HEAD OFFICE USE**

Verified by Name & Designation	
Authorized by Name & Designation	

# TRIPARTITE AGREEMENT BETWEEN LSE SECURITIES LIMITED AND IT'S SUB BROKER AND CLIENT

(FOR CASH SEGMENT - NSE)

This Agreement (hereinafter referred to as "Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between LSE Securities Limited.(hereinafter referred to as "LSESL" or "the stock broker"), a Company registered under the Companies Act, 1956), and having SEBI Stock Broker registration no. INB231087033 of National Stock Exchange of India (hereinafter referred to as "the Exchange" or "NSE") and having its registered office at SCO 50, 1<sup>st</sup> Floor, Sector 34-A, Chandigarh and Corporate Office at 1<sup>st</sup> Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives /its successors, as the case may be, of the One Part;

**AND**

\_\_\_\_\_(name of the sub-broker) (hereinafter referred to as "the sub broker"), an Individual/Partnership firm/Corporate, who is a member of The Ludhiana Stock Exchange Association Limited and Sub broker of LSE Securities Limited. having SEBI Sub broker Registration No. \_\_\_\_\_ (NSE) and having his/its office / registered office at \_\_\_\_\_

\_\_\_\_\_ which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors ,administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Second Part;

**AND**

\_\_\_\_\_(name of the client of the sub-broker) (hereinafter referred to as "the client"), an individual/a partnership firm/corporate / or \_\_\_\_\_ and having his /its residence/office at \_\_\_\_\_

\_\_\_\_\_ which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Third Part;

## WHEREAS

1. The stock broker states that it is engaged, in the business of stock broking and is a Member of National Stock Exchange of India Limited (hereinafter referred to as "the exchange") with SEBI registration Number(s) INB231087033 (NSE).
2. The sub-broker states that
  - a) The sub broker is recognized by NSE as a sub-broker affiliated to the stock broker of the stock exchange with SEBI sub-broker registration No INS \_\_\_\_\_
  - b) The sub-broker is not affiliated to any other member of the National Stock Exchange of India Limited.
  - c) The sub-broker has the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge his/its activities.
3. The Client is registered with the sub-broker as a client for purpose of availing broking services through the sub-broker affiliated to the stock broker and is desirous of investing/trading in those securities/contracts/other instruments admitted to dealings on the Exchange as defined

5 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)



in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time. A copy of the Client Registration form is annexed hereto.

4. Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided and
5. Whereas the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's/sub broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker/sub broker acts.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN STOCK BROKER, SUB-BROKER AND CLIENT AS UNDER :**

1. The stock broker and sub broker hereby acknowledge and confirm that the sub-broker is affiliated to the stock broker and that the sub-broker shall within the scope of the authority given under these presents, be entitled to act as a 'sub-broker' within the meaning and subject to SEBI (Stock Brokers and Sub-Brokers) Rules, 1992 and SEBI (Stock Brokers and Sub-Brokers) Regulations 1992 (hereinafter referred to as the said "Rules" and "Regulations" respectively) as amended from time to time, for assisting the client in buying, selling or dealing in securities through the stock broker.
2. The stock broker, sub-broker and the client agree that they shall abide by all the statutory responsibilities and obligations imposed on them by the rules, regulations and / or any other rules or regulations applicable to the stock brokers, the sub-brokers and the clients in general either framed by SEBI or by the relevant Stock Exchange/Clearing Corporation and/or any Government circulars.
3. The stock broker and the sub broker declare that they have brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a.) He has read and understood the risks involved in

trading on a stock exchange.

- b.) He shall be wholly responsible for all his investment decisions and trades.
- c.) The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
- d.) He is liable to 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.
- e.) 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
4. The Client agrees to 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 and the sub-broker renders to the Client. The stock broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and byelaws of the relevant stock exchange/SEBI.
5. The stock broker and the sub broker agree that they shall co-operate and help each other in redressing grievances of the client in respect of transactions routed through them and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the clients of sub broker from the member and vice-versa.

6 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)

6. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
7. The stock broker agrees 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 SEBI Rules and Regulations/Circulars/Guideline/Exchanges Rules/Regulations/Bye-laws and circulars.
8. The stock broker and the sub-broker agree that each of them shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through them and they shall not jointly or severally do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
9. The stock broker agrees to inform the sub-broker/client and keep them apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the sub-broker/client to comply with such schedules/procedures of the relevant stock exchange.
10. The sub broker will provide assistance to stock broker and client to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
11. The stock broker shall issue, individually for each client of his sub broker, contract notes in the format prescribed by the relevant stock exchange. The sub-broker shall render necessary assistance to his client in obtaining the contract note from the stock broker.
12. The stock broker, the sub-broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued there under as may be in force from time to time.
14. The stock broker and the sub-broker hereby agree that they will assist and cooperate with each other in ensuring faster settlement of any arbitration proceedings arising out of the transactions entered into between them vis-à-vis the client and they shall be jointly or severally liable to implement the arbitration awards made in such proceedings. In case of an award against a sub broker, if the sub broker fails to implement the award, the stock broker shall be liable to implement the same and would be entitled to recover the same from the sub broker.
15. The stock broker and the sub-broker hereby agree that all transactions in securities on behalf of the clients of the sub-broker shall be settled by delivery and/or payment, between the stock broker and the client in accordance with the provisions of rules, bye-laws and regulations of the relevant stock exchange on which the transactions took place and subject to the procedures for settlement of transactions laid down by the relevant stock exchange from time to time.
16. Information about default in payment/delivery and related aspects by a client, including that of a sub-broker as a client shall be brought to the notice of the relevant stock Exchange (s) by the stock broker. In case where defaulting sub broker/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 to the relevant stock exchange(s) by the stock broker.
17. The stock broker, the sub-broker or the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties at their respective addresses mentioned below. 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 agreement shall continue to

7 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)

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.

18. In the event of sub broker terminating this agreement 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 agreement governing the client and stock broker shall continue to be in force as it is till all the existing/outstanding transactions/positions are settled and thereafter the client will have the option to get the services through any other sub broker of LSE Securities Limited, after the client and the new sub broker mutually agree to enter into a fresh Broker-Sub broker- Client agreement, unless the client intimates to the stock broker his/its intention to terminate the agreement by giving a notice in writing of not less than one month.

19. This agreement shall forthwith terminate :

- (i) if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stockbroker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled;
- (ii) upon the 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. Provided however, in such an event, 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 agreement governing the client and stock broker shall continue to be in force as it is, till all the existing/outstanding transactions/positions are settled and thereafter the client will have the option to get the services through any other sub broker of LSE Securities Limited after the client and the new sub broker mutually agree to enter into a fresh Broker-Sub broker-Client agreement, unless the client intimate to the stock broker or the stock broker intimates to the client his/its

intention to terminate the agreement by giving one month notice in writing.

20. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.

21. 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/Sub broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result there from.

22. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker/ sub 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.

23. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued there under of the Exchange 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 Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.

24. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, member shall be entitled to cancel the respective contract(s) with client(s)

25. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter

8 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)

authorizing the said representative to deal on behalf of the said client.

26. The client agrees to immediately notify the stock broker/sub broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker/sub broker at the time of opening of the account or at any time thereafter.
27. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
28. In addition to the specific rights set out in this Agreement, the stock broker, the sub-broker and the client shall be entitled to exercise any other rights which the stock broker, sub broker or the client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued there under or Rules and Regulations of SEBI.
29. The stock broker and the sub-broker hereby undertake to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence 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 or sub-broker may

so disclose information about his client to any person or authority with the express permission of the client.

30. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
31. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder. This agreement can be altered, amended and / or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and signatures on the day, month and year first above written Signed for and on behalf of the Stock-Broker, the sub broker and the client.

Member	Sub-Broker	Client
For LSE Securities Limited	For _____ (Sub-broker's Name)	Name _____
Authorised Signatory _____	Authorised Signatory _____	Signature 9(X) _____
SEBI Reg. No. INS _____	SEBI Reg. No. INS _____	
Address : _____	Address : _____	
Member : National Stock Exchange of India Limited SEBI Registration No. INB231087033 <b>Registered Office :</b> SCO 50, 1st Floor, Sector 34-A, Chandigarh <b>Corporate Office</b> 1st Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana.		
Witness Signature _____	Witness Signature _____	Witness Signature _____
Name _____	Name _____	Name _____
Address _____	Address _____	Address _____

# TRIPARTITE AGREEMENT BETWEEN LSE SECURITIES LIMITED AND IT'S SUB BROKER AND CLIENT

## (FOR CASH SEGMENT - NSE)

### OPTIONAL CLAUSES

DOCUMENT IS VOLUNTARY (To be signed at the discretion of client)

#### 1. CONTRACT NOTES, BILLS, STATEMENT OF ACCOUNTS

- a. The client hereby accepts in writing under his/her/its signature for the issuance of ECN for trades to be executed in his account. He/She/It undertakes to inform immediately about change in email id (if any)
- b. The client agrees to accept the Contract Notes, Bills, Statement of Accounts (Securities & Funds) and other related documents in respect of his/her/its transactions through the Stock Broker in Electronic Form at the email id mentioned in the Client Registration Form or by way of any other mode as may be agreed between the Stock Broker and the Client from time to time in this regard.
- c. The Client understands that it is his/her/its responsibility to review the contract notes, the bills or statements of account upon their receipt via the electronic media or otherwise. All information contained therein shall be binding upon the Client. If the client does not object in writing to any of the contents of Contract Notes immediately and of bills and statement of accounts within prescribed time, by Exchanges, of Receipt of such bills and statement of accounts from sub-brokers/Stock Brokers.
- d. The client understands and agrees that non receipt of bounced mail of Contract Notes and other statements shall amount to delivery and will be treated as delivered in all aspects.

#### 2. TRANSACTION FOR ANY OTHER PERSON

The Client agrees that he will not do any trades/transactions for any other person other than him by acting as remisier / agent/ trader/sub broker or in any other form without prior written permission of LSE SECURITIES LIMITED and/

or SEBI and/or getting registration from SEBI for the same as applicable.

#### 3. GUARANTEE OF TRADE

The Client understands that placing an order with the sub broker including a market order does not guarantee execution of the order. The Stock Broker/Sub Broker has absolute right to reject any order that may be made by the client for any reasons whatsoever including for the breach of the requirement of maintaining the prescribed margin/deposit in the client account/bank account.

#### 4. PROPRIETARY TRADING

It is disclosed that LSE SECURITIES LIMITED does not enter into any Proprietary trades and the Sub Broker enters into proprietary trades.

#### 5. CASH TRANSACTION

The Client, sub broker and Stock Broker agrees that they will not involve in any cash transactions except in extreme emergency/exceptional circumstances subject to acceptance of all the parties to the transaction and statutory provisions in this regard.

#### 6. CLIENT REGISTRATION FORM

The Sub Broker shall ensure the Client Registration Form is complete in all respects along with relevant documents and other related aspects as mentioned in the said Client Registration Form which is annexed to this Agreement. The Sub Broker shall forward the duly completed Client Registration Form to the Stock-Broker along with this Agreement within the time specified by LSE Securities Limited from time to time.

#### 7. SHORTAGES

The Sub Broker has made aware the Client, that in case of purchase of securities by the Client, at

10 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)



times the Stock-Broker may be unable to deliver the securities to the said purchaser on the payout day due to non receipt of the securities from the stock exchange(s) or in case of non receipt of the said securities from another Client of the Stock-Broker who has sold the securities against the said purchase transaction. In case of such short delivery; the securities shall be delivered to the purchaser as per the policy specified by the Stock-Broker and as amended from time to time.

#### **8. PAY OUT OF SECURITIES / FUNDS**

The Sub-broker has made aware the client the norms for payout of securities and funds and in order to facilitate operations and his banking convenience the Client hereby authorizes the Stock-Broker to maintain a running account with the Stock-Broker, instead of settlement to settlement clearance of funds/ securities due to the client. Further the payout of funds/securities may be retained by the Stock-Broker and the client agrees not to claim any interest from the Stock-Broker on such securities/ funds so retained by the Stock-Broker. The funds/ securities so retained shall be available to the Stock-Broker for exposure/margin purposes otherwise. The Client further agrees that the Stock-Broker shall not be liable for any claim for loss or profit, or for any consequential, incidental, special or exemplary damages, caused by retention of such securities/funds under this agreement or on written request of the Client to the Sub Broker with a copy to the Stock-Broker, the Stock-Broker may release the funds/ securities to him, if sufficient margins in respect of his trading, across the stock exchange(s) and across the segment of the stock exchange(s) are available with the Stock-Broker.

The client authorizes the Stock Broker to transfer, make adjustments and/ or to set off a part or whole of the securities placed as margin and/or any surplus funds in any of my account (s)

maintained with Stock Broker for meeting my/ our obligations towards margin, pay-in and any other obligations due to the Stock Broker in any of his/ her/ their account (s) maintained with Stock Broker.

#### **9. CLIENT'S AUTHORIZATION**

The Client authorizes the Stock-Broker, (at the Stock-Broker's discretion, should the Stock-Broker deem necessary for the Stock-Broker's protection), to buy, sell or close out any part or all of the trades done by the Client in his/her/its account with the Stock-Broker. Any and all losses, financial charges and/or incidental expenses incurred by the Stock-Broker, and agent or sub broker of the Stock-Broker and/or any other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the Stock-Broker, in doing the aforesaid shall at the discretion of the Stock-Broker, be reimbursed by the Client/ Charged to and borne by the Client/ deductible by the Stock-Broker from the monies and/or collateral/margin of the Client available with the Stock-Broker.

#### **10. MARGINS**

The Sub-broker shall ensure that the Client pays the daily margins, special margin or such other margins as determined by the Stock Broker or the Exchange from time to time.

The Sub Broker and Client hereby agree that the Stock-Broker shall be entitled to charge penal charges at such rate as may be determined by the Stock-Broker in its sole discretion on the debit balance in the collateral/margin account of the Client. Without prejudice to the foregoing, the Stock-Broker shall be entitled to refuse to execute any orders of the Client, until such time as the Client has deposited adequate collateral/ margin to the satisfaction of the Stock-Broker. The Client agrees that except for the first and exclusive interest created by the Client in favour

of the Stock Broker, without the prior written consent of the Stock-Broker, it shall not cause and/or allow any collateral/ margin deposited with the Stock-Broker to be or become the subject matter of any lien or pledge or encumbrances of any nature whatsoever.

The Sub Broker and Client hereby confirm that all collateral/margin owned by the client singly or jointly and deposited with the Stock Broker for the purpose of securing the dealings of the Client shall be subject to a continuing security, lien and set off for the discharge and satisfaction of the obligations or liabilities of the Client to the Stock-Broker any agent or sub-broker of the Stock-Broker and/ or any other individual, partnership, corporation, company, organization, association trust or other entity acting for or on behalf of the Stock-Broker. The Stock-Broker may hold such collateral/margin until the dues and/or obligations of the Client as aforesaid are fully satisfied and the Client shall remain liable for any deficiency that may arise after applying the proceeds of such collateral/margin.

The Sub Broker and Client hereby authorize the Stock-Broker to deposit with any depository participant, Clearing House (as the case may be), any custodian or any other such authority authorized for this purpose under applicable law, all or part of collaterals/margin placed by the client with the stock broker as security for the purpose of operation for this agreement, until such time as the client becomes eligible for delivery or refund (as the case may be) of such collateral/margin.

The stock broker reserves the right in the sole and absolute discretion to collect additional margins (even though not imposed by the Exchange (as the case may be) and / or SEBI), and the client shall be required to pay such additional margins to the stock broker and the sub broker shall ensure that the said additional

margins are received from the client.

## **11. TRANSACTIONS AND SETTLEMENTS**

The Sub- Broker and client hereby agree and confirm that

- a) Unless the Stock-Broker otherwise permits, all the trades for the purchase and/or sale of securities outstanding at the end of a trading day shall result in delivery of securities for a sale trade or payment for purchase trade.
- b) The Stock Broker 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 Stock-Broker from the Exchange or the Clearing Corporation (as the case may be.)
- c) The Stock-Broker shall have the right to allocate securities and money among the Client and other Clients of the Stock-Broker in a manner and form that the Stock-Broker deems fit where (i) the Stock-Broker has a net purchase obligation in respect of the Client and other Clients with The Exchange, but receives a short delivery and (ii) the Exchange/Stock-broker is only able to partly receive in auction and partly close out the securities falling short on behalf of the defaulting party.
- d) The Stock-Broker shall be entitled to offset the purchase value of the purchase transaction of the Client against the proceeds of a sale transaction of the Client.

## **12. OBLIGATIONS IN THE EVENT OF SHORT SALES**

In the event that the Sub Broker through the Stock-Broker makes a short sale of any securities on the instructions of the Client and the latter fails to deliver the securities either, fully or in part, the Stock-Broker shall have the express authority, and the Client hereby gives to the Stock-Broker such express authority, to buy or otherwise arrange for the securities in question to meet the obligations arising out of such failure of the Client without any further reference to the

Client. The Client and Sub Broker jointly and severally shall be responsible for any loss that may be sustained by the Stock-Broker as a result of such failure of the Client to deliver the securities.

Not with standing the aforesaid, the Stock Broker shall be entitled in its discretion, to effect a short delivery to the Client for a purchase trade, inter alia, where the counter-party, being the seller(s) in the respective transactions deliver(s) short to the Exchange/ Stock Broker and the Exchange/ Stock Broker is not able to buy-in the Securities falling short on behalf of the defaulting party and therefore closes out the transaction as per the Rules, Bye laws and Regulations of Exchange or as defined by the Stock-Broker.

### **13. DISCHARGE OF OBLIGATION AND COMPLIANCE BY THE CLIENT**

The Client hereby undertakes to,

- a. discharge its obligations with respect to payment for the dealings in a timely manner, so as to enable the Stock-Broker to meet its obligations to the relevant Exchange(s), the clearing House (as the case may be) and/or otherwise; and
- b. Otherwise be fully responsible for all of its dealings, payments and orders The Client and Sub Broker shall be liable for all such liabilities as may arise due to non fulfillment of any obligations by the Stock Broker towards any Exchange or any other regulatory authority due to the noncompliance by the Client of its obligations to or through the Stock Broker.

### **14. RESTRICTIONS AND REGULATIONS OF DEALINGS:**

The Stock-Broker shall at its discretion decide, from time to time, the volume of business which the Client introduced by the Sub Broker may transact during any trading day on the Exchange. Notwithstanding such an agreement /

arrangement, the Stock Broker shall have absolute discretion to reduce the volume of business of the Client or restrict dealings by the Client without any prior notice to the Client or Sub Broker inter alia, having regard to

1. the volatility in the market,
2. in view of impending price sensitive announcements;
3. any restrictions in relation to volume of trading/outstanding business or margins stipulated by any Exchange;
4. political instability in the Country;
5. presence of any other price sensitive factors;
6. failure by the Client to maintain the applicable collateral/margin; and / or
7. delays by the Client in meeting its obligations / dues relating to the business / dealings done under this Agreement or pursuant to any other agreement between the Client and the Stock-Broker.

### **15. LIQUIDATION / CLOSE OUT OF POSITIONS:**

Without prejudice to the stock broker's other rights including the right to refer a matter to arbitration, the stock broker shall be entitled to liquidate / close out all or any of the client's positions with oral intimation to sub broker for non payment of margins, other amounts due from the client to the stock broker, an Exchange, a clearing house, any agent or sub broker of the stock broker and / or other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the stock broker, or any other outstanding debts etc. Any and all losses,

financial charges and/or incidental expenses incurred by the Stock broker on account of such liquidation / close out shall (at the discretion of the stock broker) be reimbursed by the client and / or sub broker / charged to and borne by the client and / or sub broker / deductible by the stock



broker from the monies and / or collateral margin of the client or brokerage of the sub broker available with stock broker.

#### **16. SHARING OF INFORMATION**

The Client agrees to immediately furnish information to the Stock-Broker and Sub Broker in writing in the event that is likely to have an adverse effect on the financial position of the Client.

Upon receipt of information from the Client as aforesaid, the Stock-Broker or Sub Broker shall be entitled to take such action (in its absolute discretion) as it may consider necessary in order to protect its own interest, including without limitation liquidating/closing out all outstanding positions of the Client under oral intimation to the Sub Broker. Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker on account of such liquidation/closing out shall (at the discretion of the Stock Broker), be reimbursed by the Client and / or Sub Broker/Charged to and borne by the Client and/or Sub Broker deductible by the Stock Broker from the monies and / or Clients Collateral/Margin or from the Brokerage of the Sub Broker available with the Stock Broker.

Similarly, the Stock Broker agrees to inform Client through the Sub Broker of the following.

- i. the trades/transactions and the contract executed and associated obligations to the client.
- ii. the daily settlement position and daily obligations of the Client in relation to its dealings in Cash Market through the Stock Broker on the Exchange, and
- iii. the account of the Client with the Stock Broker, any movement in the price of the securities traded against the Client at the end of the day on the Exchange.

#### **17. EFFECT OF ATTACHMENT**

The Stock-Broker shall not be liable for refusing

to obey orders given by or for the Client with respect to its account(s) with the Stock Broker (including without limitation of any Client Account) Which has or have been subject to attachment in any legal proceeding or under any applicable law for the time being in force, against the Client and the Stock Broker shall not be under any obligation to contest the validity of such attachment or sequestration. Further the Client shall be liable to indemnify the Stock Broker from and against any loss of expenses suffered and/or incurred by the Stock Broker as a result of such attachment.

#### **18. SEVERABILITY**

In the event of any provisions of this Agreement being held to be becoming invalid, unenforceable or illegal for any reason, such invalidity unenforceability or illegality shall attach only to such provision or condition, and this Agreement shall remain otherwise in full force apart from the said provision, which will be deemed deleted. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition was not contained herein. The Stock-Broker shall however attempt to replace the deleted provision with a legally valid provision that reflects the same purpose as the deleted provision to the greatest extent possible.

#### **19. NO WAIVER**

Any failure and/or delay on the part of the Stock Broker to insist on strict compliance/exercise with any of the terms, conditions, provisions, powers and/or rights in this Agreement or a continued course of such conduct shall at no time operate as waiver, in full/part, of such terms, conditions, provisions, powers and/or rights. All such powers, remedies and/or rights are cumulative and not exclusive to any other powers, remedies and/or rights that the Stock Broker may otherwise

have.

## **20. FORCE MAJEURE**

The Stock-Broker shall not be responsible for any losses, costs or damages resulting directly or indirectly from:

- i) any action, omission, suspension of trading decision or ruling of any exchange or regulatory, governmental or other body or of any other person which is beyond the Stock Broker's control (including floor broker, exchange, dealing or clearing house) or
- ii) any war, strike, lock-out, natural disaster, act of terrorism, delay in postal services or any other delay or inaccuracy in the transmission of order or other information, or any breakdown, failure or malfunction beyond the control of the Stock Broker of any telecommunication or computer system.

The above Force Majeure events do not exempt the Client to fulfill the obligations in his account with the Stock-Broker.

## **21. COMMUNICATION AND NOTICES**

1. All notices or communications issued under this agreement shall be served in anyone or more or all of the following ways under (a) to (l) below and such notice or communication shall, be served at the ordinary business address and / or ordinary place of residence and / or last known address of the party in anyone or more of the following ways. (a) by post (b) by registered post (c) under certificate posting (d) by express delivery post (e) by telegram (f) affixing it on the door at the last known business or residential address (g) by oral communication to the party or on the last known telephone number or on the recording machine of such number (h) by advertising it in at least one prominent daily news paper having circulation in the area where the last known business or residential address of the Client is situated (i) by sending a message through trading system (j) by a notice posted on

the notice board of the Exchange/ Stock Broker if no address be known (k) by electronic mail or fax (l) by hand delivery.

2. Any communication sent by the Stock Broker to the Client or sub broker shall be deemed to have been Properly delivered or served, even if such communication is returned to the Stock Broker as unclaimed/refused/undelivered, if the same is sent to the ordinary business address and/or ordinary place of residence and/or last known address of the party, in anyone or more of the ways as mentioned in clause 21 (1) above.

## **22. SETTLEMENT OF CLAIMS**

For the illegal acts or unfair trade practices of the Client, if any penalty is levied or any other loss that may be suffered by the Stock Broker due to suspension of the Stock Brokership of the Stock Broker, the Stock Broker shall pass on the said penalty or fine or exemplary damages that are levied by the Exchange to the Client which shall be paid/adjusted from the balances, if any, of the Client lying with the Stock-Broker.

## **23. AMENDMENT**

The Stock Broker may from time to time amend the agreement if required, for complying with any change in Statute, Regulation or with the requirements of any competent authority or if required under its corporate policies. The same shall be intimated to the Client by the Stock Broker through the Sub Broker in writing through letters from time to time which shall be part and parcel of this agreement. In case the Client continues to deal with the Sub Broker in writing through letters from time to time which shall be part and parcel of this agreement. In case the Client continues to deal with the Sub Broker affiliated to the Stock Brokers subsequent to the intimation of such amendments, it shall be deemed that the Client is agreeable to the new clauses. However the Client has right to terminate the agreement through communication

in writing by giving one month notice subject to the meeting of the financial and other obligations under this agreement.

## 24. JURISDICTION AND GOVERNING LAW

All trades, transactions and contracts are subject to the Rules and Regulations of the Principal Stock Exchange on which trades have been executed and the parties to such shall be deemed to have submitted to Jurisdiction of the Courts in Mumbai if Principal Stock Exchange is a party and in other cases to the Jurisdiction of the Courts in Ludhiana for the purpose of giving effect the provisions of the Rules, Bye-Laws and Regulations of the Exchange (s).

## 25. INVESTMENT ADVICE:

25.1 The Client acknowledges that the Stock Broker shall not be liable to provide him with any legal, tax investment or accounting advice or advice regarding the suitability or profitability of a security or investment.

25.2 The Client also acknowledges that the Stock Broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any advice from the Stock Broker or any of its employees.

25.3 The Client agrees that in the event of the Stock Broker or any employee or official of the Stock Broker providing any information, to the Client, the Client may act upon the same at the sole risk and cost of the Client, and the Stock-Broker shall not be liable or responsible for the same.

25.4 The Client assumes full responsibility with respect to his investment decisions and transactions.

25.5 The Stock Broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

25.6 The Client shall always keep himself abreast of all requirements to be complied by him under various laws including the Foreign Exchange Management Act, 1999 wherever applicable and the rules, regulations, directions circulars, notifications or guidelines issued under or pursuant to the relevant laws.

26. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder.

This agreement can be altered, amended and/or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and signatures on the day, month and year first above written Signed for and on behalf of the Stock-Broker, the sub broker and the client.

Member	Sub-Broker	Client
For LSE Securities Limited	For _____ (Sub-broker's Name)	Name _____
Authorised Signatory _____	Authorised Signatory _____	Signature 16 (X) _____
Member : National Stock Exchange of India Limited SEBI Registration No. INB231087033 <b>Registered Office :</b> SCO 50, 1st Floor, Sector 34-A, Chandigarh	SEBI Reg. No. INS _____	
<b>Corporate Office</b> 1st Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana.	Address : _____	
Witness Signature _____	Witness Signature _____	Witness Signature _____
Name _____	Name _____	Name _____
Address _____	Address _____	Address _____

# TRIPARTITE AGREEMENT BETWEEN LSE SECURITIES LIMITED AND IT'S SUB BROKER AND CLIENT

(FOR CASH SEGMENT - BSE)

This Agreement (hereinafter referred to as "Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

by and between LSE Securities Limited.(hereinafter referred to as "LSESL" or "the stock broker"), a Company registered under the Companies Act, 1956), and having SEBI Stock Broker registration no. INB011087039 of The Stock Exchange Mumbai (hereinafter referred to as "the Exchange" or "BSE") and having its registered office at SCO 50, 1<sup>st</sup> Floor, Sector 34-A, Chandigarh and Corporate Office at 1<sup>st</sup> Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives /its successors, as the case may be, of the One Part;

**AND**

\_\_\_\_\_ (name of the sub-broker) (hereinafter referred to as "the sub broker"), an Individual/Partnership firm/Corporate, who is a member of The Ludhiana Stock Exchange Association Limited and Sub broker of LSE Securities Limited. having SEBI Sub broker Registration No. \_\_\_\_\_ (BSE) and having his/its office / registered office at \_\_\_\_\_

\_\_\_\_\_ which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors ,administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Second Part;

**AND**

\_\_\_\_\_ (name of the client of the sub-broker) (hereinafter referred to as "the client"), an individual/a partnership firm/corporate / or \_\_\_\_\_ and having his /its residence/office at \_\_\_\_\_

\_\_\_\_\_ which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Third Part;

## WHEREAS

1. The stock broker states that it is engaged, in the business of stock broking and is a Member of Stock Exchange Mumbai (hereinafter referred to as "the exchange") with SEBI registration Number(s) INB011087039 (BSE).
2. The sub-broker states that
  - a) The sub broker is recognized by BSE as a sub-broker affiliated to the stock broker of the stock exchange with SEBI sub-broker registration No INS \_\_\_\_\_
  - b) The sub-broker is not affiliated to any other member of the Stock Exchange Mumbai.
  - c) The sub-broker has the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge his/its activities.
3. The Client is registered with the sub-broker as a client for purpose of availing broking services through the sub-broker affiliated to the stock broker and is desirous of investing/trading in those securities/contracts/other instruments admitted to dealings on the Exchange as defined

17 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)

in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time. A copy of the Client Registration form is annexed hereto.

4. Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided and
5. Whereas the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's/sub broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker/sub broker acts.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN STOCK BROKER, SUB-BROKER AND CLIENT AS UNDER :**

1. The stock broker and sub broker hereby acknowledge and confirm that the sub-broker is affiliated to the stock broker and that the sub-broker shall within the scope of the authority given under these presents, be entitled to act as a 'sub-broker' within the meaning and subject to SEBI (Stock Brokers and Sub-Brokers) Rules, 1992 and SEBI (Stock Brokers and Sub-Brokers) Regulations 1992 (hereinafter referred to as the said "Rules" and "Regulations" respectively) as amended from time to time, for assisting the client in buying, selling or dealing in securities through the stock broker.
2. The stock broker, sub-broker and the client agree that they shall abide by all the statutory responsibilities and obligations imposed on them by the rules, regulations and / or any other rules or regulations applicable to the stock brokers, the sub-brokers and the clients in general either framed by SEBI or by the relevant Stock Exchange/Clearing Corporation and/or any Government circulars.
3. The stock broker and the sub broker declare that they have brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a.) He has read and understood the risks involved in

trading on a stock exchange.

- b.) He shall be wholly responsible for all his investment decisions and trades.
- c.) The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
- d.) He is liable to 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.
- e.) 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
4. The Client agrees to 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 and the sub-broker renders to the Client. The stock broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and byelaws of the relevant stock exchange/SEBI.
5. The stock broker and the sub broker agree that they shall co-operate and help each other in redressing grievances of the client in respect of transactions routed through them and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the clients of sub broker from the member and vice-versa.



6. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
7. The stock broker agrees 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 SEBI Rules and Regulations/Circulars/Guideline/Exchanges Rules/Regulations/Bye-laws and circulars.
8. The stock broker and the sub-broker agree that each of them shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through them and they shall not jointly or severally do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
9. The stock broker agrees to inform the sub-broker/client and keep them apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the sub-broker/client to comply with such schedules/procedures of the relevant stock exchange.
10. The sub broker will provide assistance to stock broker and client to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
11. The stock broker shall issue, individually for each client of his sub broker, contract notes in the format prescribed by the relevant stock exchange. The sub-broker shall render necessary assistance to his client in obtaining the contract note from the stock broker.
12. The stock broker, the sub-broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued there under as may be in force from time to time.
14. The stock broker and the sub-broker hereby agree that they will assist and cooperate with each other in ensuring faster settlement of any arbitration proceedings arising out of the transactions entered into between them vis-à-vis the client and they shall be jointly or severally liable to implement the arbitration awards made in such proceedings. In case of an award against a sub broker, if the sub broker fails to implement the award, the stock broker shall be liable to implement the same and would be entitled to recover the same from the sub broker.
15. The stock broker and the sub-broker hereby agree that all transactions in securities on behalf of the clients of the sub-broker shall be settled by delivery and/or payment, between the stock broker and the client in accordance with the provisions of rules, bye-laws and regulations of the relevant stock exchange on which the transactions took place and subject to the procedures for settlement of transactions laid down by the relevant stock exchange from time to time.
16. Information about default in payment/delivery and related aspects by a client, including that of a sub-broker as a client shall be brought to the notice of the relevant stock Exchange (s) by the stock broker. In case where defaulting sub broker/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 to the relevant stock exchange(s) by the stock broker.
17. The stock broker, the sub-broker or the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties at their respective addresses mentioned below. 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 agreement shall continue to

19 (X)

(Client Signature)

(Sub-Broker Signature)

(Authorised Signatory  
LSE Securities Limited)

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.

18. In the event of sub broker terminating this agreement 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 agreement governing the client and stock broker shall continue to be in force as it is till all the existing/outstanding transactions/positions are settled and thereafter the client will have the option to get the services through any other sub broker of LSE Securities Limited, after the client and the new sub broker mutually agree to enter into a fresh Broker-Sub broker- Client agreement, unless the client intimates to the stock broker his/its intention to terminate the agreement by giving a notice in writing of not less than one month.

19. This agreement shall forthwith terminate :

- (i) if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stockbroker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled;
- (ii) upon the 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. Provided however, in such an event, 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 agreement governing the client and stock broker shall continue to be in force as it is, till all the existing/outstanding transactions/positions are settled and thereafter the client will have the option to get the services through any other sub broker of LSE Securities Limited after the client and the new sub broker mutually agree to enter into a fresh Broker-Sub broker-Client agreement, unless the client intimate to the stock broker or the stock broker intimates to the client his/its

intention to terminate the agreement by giving one month notice in writing.

20. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.

21. 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/Sub broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result there from.

22. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker/ sub 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.

23. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued there under of the Exchange 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 Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.

24. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, member shall be entitled to cancel the respective contract(s) with client(s)

25. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter

authorizing the said representative to deal on behalf of the said client.

26. The client agrees to immediately notify the stock broker/sub broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker/sub broker at the time of opening of the account or at any time thereafter.
27. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
28. In addition to the specific rights set out in this Agreement, the stock broker, the sub-broker and the client shall be entitled to exercise any other rights which the stock broker, sub broker or the client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued there under or Rules and Regulations of SEBI.
29. The stock broker and the sub-broker hereby undertake to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence 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 or sub-broker may

so disclose information about his client to any person or authority with the express permission of the client.

30. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
31. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder. This agreement can be altered, amended and / or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and signatures on the day, month and year first above written Signed for and on behalf of the Stock-Broker, the sub broker and the client.

Member	Sub-Broker	Client
For LSE Securities Limited	For _____ (Sub-broker's Name)	Name _____
Authorised Signatory _____	Authorised Signatory _____	Signature 21 (X) _____
SEBI Reg. No. INS _____	SEBI Reg. No. INS _____	
Address : _____	Address : _____	
Member : The Stock Exchange Mumbai SEBI Registration No. INB011087039 <b>Registered Office :</b> SCO 50, 1st Floor, Sector 34-A, Chandigarh <b>Corporate Office</b> 1st Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana.		
Witness Signature _____	Witness Signature _____	Witness Signature _____
Name _____	Name _____	Name _____
Address _____	Address _____	Address _____



## TRIPARTITE AGREEMENT BETWEEN LSE SECURITIES LIMITED AND IT'S SUB BROKER AND CLIENT

(FOR CASH SEGMENT - BSE)

### OPTIONAL CLAUSES

DOCUMENT IS VOLUNTARY (To be signed at the discretion of client)

#### 1. CONTRACT NOTES, BILLS, STATEMENT OF ACCOUNTS

- a. The client hereby accepts in writing under his/her/its signature for the issuance of ECN for trades to be executed in his account. He/She/It undertakes to inform immediately about change in email id (if any)
- b. The client agrees to accept the Contract Notes, Bills, Statement of Accounts (Securities & Funds) and other related documents in respect of his/her/its transactions through the Stock Broker in Electronic Form at the email id mentioned in the Client Registration Form or by way of any other mode as may be agreed between the Stock Broker and the Client from time to time in this regard.
- c. The Client understands that it is his/her/its responsibility to review the contract notes, the bills or statements of account upon their receipt via the electronic media or otherwise. All information contained therein shall be binding upon the Client. If the client does not object in writing to any of the contents of Contract Notes immediately and of bills and statement of accounts within prescribed time, by Exchanges, of Receipt of such bills and statement of accounts from sub-brokers/Stock Brokers.
- d. The client understands and agrees that non receipt of bounced mail of Contract Notes and other statements shall amount to delivery and will be treated as delivered in all aspects.

#### 2. TRANSACTION FOR ANY OTHER PERSON

The Client agrees that he will not do any trades/transactions for any other person other than him by acting as remisier / agent/ trader/sub broker or in any other form without prior written permission of LSE SECURITIES LIMITED and/

or SEBI and/or getting registration from SEBI for the same as applicable.

#### 3. GUARANTEE OF TRADE

The Client understands that placing an order with the sub broker including a market order does not guarantee execution of the order. The Stock Broker/Sub Broker has absolute right to reject any order that may be made by the client for any reasons whatsoever including for the breach of the requirement of maintaining the prescribed margin/deposit in the client account/bank account.

#### 4. PROPRIETARY TRADING

It is disclosed that LSE SECURITIES LIMITED does not enter into any Proprietary trades and the Sub Broker enters into proprietary trades.

#### 5. CASH TRANSACTION

The Client, sub broker and Stock Broker agrees that they will not involve in any cash transactions except in extreme emergency/exceptional circumstances subject to acceptance of all the parties to the transaction and statutory provisions in this regard.

#### 6. CLIENT REGISTRATION FORM

The Sub Broker shall ensure the Client Registration Form is complete in all respects along with relevant documents and other related aspects as mentioned in the said Client Registration Form which is annexed to this Agreement. The Sub Broker shall forward the duly completed Client Registration Form to the Stock-Broker along with this Agreement within the time specified by LSE Securities Limited from time to time.

#### 7. SHORTAGES

The Sub Broker has made aware the Client, that in case of purchase of securities by the Client, at

times the Stock-Broker may be unable to deliver the securities to the said purchaser on the payout day due to non receipt of the securities from the stock exchange(s) or in case of non receipt of the said securities from another Client of the Stock-Broker who has sold the securities against the said purchase transaction. In case of such short delivery; the securities shall be delivered to the purchaser as per the policy specified by the Stock-Broker and as amended from time to time.

#### **8. PAY OUT OF SECURITIES / FUNDS**

The Sub-broker has made aware the client the norms for payout of securities and funds and in order to facilitate operations and his banking convenience the Client hereby authorizes the Stock-Broker to maintain a running account with the Stock-Broker, instead of settlement to settlement clearance of funds/ securities due to the client. Further the payout of funds/securities may be retained by the Stock-Broker and the client agrees not to claim any interest from the Stock-Broker on such securities/ funds so retained by the Stock-Broker. The funds/ securities so retained shall be available to the Stock-Broker for exposure/margin purposes otherwise. The Client further agrees that the Stock-Broker shall not be liable for any claim for loss or profit, or for any consequential, incidental, special or exemplary damages, caused by retention of such securities/funds under this agreement or on written request of the Client to the Sub Broker with a copy to the Stock-Broker, the Stock-Broker may release the funds/ securities to him, if sufficient margins in respect of his trading, across the stock exchange(s) and across the segment of the stock exchange(s) are available with the Stock-Broker.

The client authorizes the Stock Broker to transfer, make adjustments and/ or to set off a part or whole of the securities placed as margin and/or any surplus funds in any of my account (s)

maintained with Stock Broker for meeting my/ our obligations towards margin, pay-in and any other obligations due to the Stock Broker in any of his/ her/ their account (s) maintained with Stock Broker.

#### **9. CLIENT'S AUTHORIZATION**

The Client authorizes the Stock-Broker, (at the Stock-Broker's discretion, should the Stock-Broker deem necessary for the Stock-Broker's protection), to buy, sell or close out any part or all of the trades done by the Client in his/her/its account with the Stock-Broker. Any and all losses, financial charges and/or incidental expenses incurred by the Stock-Broker, and agent or sub broker of the Stock-Broker and/or any other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the Stock-Broker, in doing the aforesaid shall at the discretion of the Stock-Broker, be reimbursed by the Client/ Charged to and borne by the Client/ deductible by the Stock-Broker from the monies and/or collateral/margin of the Client available with the Stock-Broker.

#### **10. MARGINS**

The Sub-broker shall ensure that the Client pays the daily margins, special margin or such other margins as determined by the Stock Broker or the Exchange from time to time.

The Sub Broker and Client hereby agree that the Stock-Broker shall be entitled to charge penal charges at such rate as may be determined by the Stock-Broker in its sole discretion on the debit balance in the collateral/margin account of the Client. Without prejudice to the foregoing, the Stock-Broker shall be entitled to refuse to execute any orders of the Client, until such time as the Client has deposited adequate collateral/ margin to the satisfaction of the Stock-Broker. The Client agrees that except for the first and exclusive interest created by the Client in favour

of the Stock Broker, without the prior written consent of the Stock-Broker, it shall not cause and/or allow any collateral/ margin deposited with the Stock-Broker to be or become the subject matter of any lien or pledge or encumbrances of any nature whatsoever.

The Sub Broker and Client hereby confirm that all collateral/margin owned by the client singly or jointly and deposited with the Stock Broker for the purpose of securing the dealings of the Client shall be subject to a continuing security, lien and set off for the discharge and satisfaction of the obligations or liabilities of the Client to the Stock-Broker any agent or sub-broker of the Stock-Broker and/ or any other individual, partnership, corporation, company, organization, association trust or other entity acting for or on behalf of the Stock-Broker. The Stock-Broker may hold such collateral/margin until the dues and/or obligations of the Client as aforesaid are fully satisfied and the Client shall remain liable for any deficiency that may arise after applying the proceeds of such collateral/margin.

The Sub Broker and Client hereby authorize the Stock-Broker to deposit with any depository participant, Clearing House (as the case may be), any custodian or any other such authority authorized for this purpose under applicable law, all or part of collaterals/margin placed by the client with the stock broker as security for the purpose of operation for this agreement, until such time as the client becomes eligible for delivery or refund (as the case may be) of such collateral/margin.

The stock broker reserves the right in the sole and absolute discretion to collect additional margins (even though not imposed by the Exchange (as the case may be) and / or SEBI), and the client shall be required to pay such additional margins to the stock broker and the sub broker shall ensure that the said additional

margins are received from the client.

## **11. TRANSACTIONS AND SETTLEMENTS**

The Sub- Broker and client hereby agree and confirm that

- a) Unless the Stock-Broker otherwise permits, all the trades for the purchase and/or sale of securities outstanding at the end of a trading day shall result in delivery of securities for a sale trade or payment for purchase trade.
- b) The Stock Broker 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 Stock-Broker from the Exchange or the Clearing Corporation (as the case may be.)
- c) The Stock-Broker shall have the right to allocate securities and money among the Client and other Clients of the Stock-Broker in a manner and form that the Stock-Broker deems fit where (i) the Stock-Broker has a net purchase obligation in respect of the Client and other Clients with The Exchange, but receives a short delivery and (ii) the Exchange/Stock-broker is only able to partly receive in auction and partly close out the securities falling short on behalf of the defaulting party.
- d) The Stock-Broker shall be entitled to offset the purchase value of the purchase transaction of the Client against the proceeds of a sale transaction of the Client.

## **12. OBLIGATIONS IN THE EVENT OF SHORT SALES**

In the event that the Sub Broker through the Stock-Broker makes a short sale of any securities on the instructions of the Client and the latter fails to deliver the securities either, fully or in part, the Stock-Broker shall have the express authority, and the Client hereby gives to the Stock-Broker such express authority, to buy or otherwise arrange for the securities in question to meet the obligations arising out of such failure of the Client without any further reference to the

Client. The Client and Sub Broker jointly and severally shall be responsible for any loss that may be sustained by the Stock-Broker as a result of such failure of the Client to deliver the securities.

Not with standing the aforesaid, the Stock Broker shall be entitled in its discretion, to effect a short delivery to the Client for a purchase trade, inter alia, where the counter-party, being the seller(s) in the respective transactions deliver(s) short to the Exchange/ Stock Broker and the Exchange/ Stock Broker is not able to buy-in the Securities falling short on behalf of the defaulting party and therefore closes out the transaction as per the Rules, Bye laws and Regulations of Exchange or as defined by the Stock-Broker.

### **13. DISCHARGE OF OBLIGATION AND COMPLIANCE BY THE CLIENT**

The Client hereby undertakes to,

- a. discharge its obligations with respect to payment for the dealings in a timely manner, so as to enable the Stock-Broker to meet its obligations to the relevant Exchange(s), the clearing House (as the case may be) and/or otherwise; and
- b. Otherwise be fully responsible for all of its dealings, payments and orders The Client and Sub Broker shall be liable for all such liabilities as may arise due to non fulfillment of any obligations by the Stock Broker towards any Exchange or any other regulatory authority due to the noncompliance by the Client of its obligations to or through the Stock Broker.

### **14. RESTRICTIONS AND REGULATIONS OF DEALINGS:**

The Stock-Broker shall at its discretion decide, from time to time, the volume of business which the Client introduced by the Sub Broker may transact during any trading day on the Exchange. Notwithstanding such an agreement /

arrangement, the Stock Broker shall have absolute discretion to reduce the volume of business of the Client or restrict dealings by the Client without any prior notice to the Client or Sub Broker inter alia, having regard to

1. the volatility in the market,
2. in view of impending price sensitive announcements;
3. any restrictions in relation to volume of trading/outstanding business or margins stipulated by any Exchange;
4. political instability in the Country;
5. presence of any other price sensitive factors;
6. failure by the Client to maintain the applicable collateral/margin; and / or
7. delays by the Client in meeting its obligations / dues relating to the business / dealings done under this Agreement or pursuant to any other agreement between the Client and the Stock-Broker.

### **15. LIQUIDATION / CLOSE OUT OF POSITIONS:**

Without prejudice to the stock broker's other rights including the right to refer a matter to arbitration, the stock broker shall be entitled to liquidate / close out all or any of the client's positions with oral intimation to sub broker for non payment of margins, other amounts due from the client to the stock broker, an Exchange, a clearing house, any agent or sub broker of the stock broker and / or other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the stock broker, or any other outstanding debts etc. Any and all losses,

financial charges and/or incidental expenses incurred by the Stock broker on account of such liquidation / close out shall (at the discretion of the stock broker) be reimbursed by the client and / or sub broker / charged to and borne by the client and / or sub broker / deductible by the stock

broker from the monies and / or collateral margin of the client or brokerage of the sub broker available with stock broker.

#### **16. SHARING OF INFORMATION**

The Client agrees to immediately furnish information to the Stock-Broker and Sub Broker in writing in the event that is likely to have an adverse effect on the financial position of the Client.

Upon receipt of information from the Client as aforesaid, the Stock-Broker or Sub Broker shall be entitled to take such action (in its absolute discretion) as it may consider necessary in order to protect its own interest, including without limitation liquidating/closing out all outstanding positions of the Client under oral intimation to the Sub Broker. Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker on account of such liquidation/closing out shall (at the discretion of the Stock Broker), be reimbursed by the Client and / or Sub Broker/Charged to and borne by the Client and/or Sub Broker deductible by the Stock Broker from the monies and / or Clients Collateral/Margin or from the Brokerage of the Sub Broker available with the Stock Broker.

Similarly, the Stock Broker agrees to inform Client through the Sub Broker of the following.

- i. the trades/transactions and the contract executed and associated obligations to the client.
- ii. the daily settlement position and daily obligations of the Client in relation to its dealings in Cash Market through the Stock Broker on the Exchange, and
- iii. the account of the Client with the Stock Broker, any movement in the price of the securities traded against the Client at the end of the day on the Exchange.

#### **17. EFFECT OF ATTACHMENT**

The Stock-Broker shall not be liable for refusing

to obey orders given by or for the Client with respect to its account(s) with the Stock Broker (including without limitation of any Client Account) Which has or have been subject to attachment in any legal proceeding or under any applicable law for the time being in force, against the Client and the Stock Broker shall not be under any obligation to contest the validity of such attachment or sequestration. Further the Client shall be liable to indemnify the Stock Broker from and against any loss of expenses suffered and/or incurred by the Stock Broker as a result of such attachment.

#### **18. SEVERABILITY**

In the event of any provisions of this Agreement being held to be becoming invalid, unenforceable or illegal for any reason, such invalidity unenforceability or illegality shall attach only to such provision or condition, and this Agreement shall remain otherwise in full force apart from the said provision, which will be deemed deleted. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition was not contained herein. The Stock-Broker shall however attempt to replace the deleted provision with a legally valid provision that reflects the same purpose as the deleted provision to the greatest extent possible.

#### **19. NO WAIVER**

Any failure and/or delay on the part of the Stock Broker to insist on strict compliance/exercise with any of the terms, conditions, provisions, powers and/or rights in this Agreement or a continued course of such conduct shall at no time operate as waiver, in full/part, of such terms, conditions, provisions, powers and/or rights. All such powers, remedies and/or rights are cumulative and not exclusive to any other powers, remedies and/or rights that the Stock Broker may otherwise



have.

## **20. FORCE MAJEURE**

The Stock-Broker shall not be responsible for any losses, costs or damages resulting directly or indirectly from:

- i) any action, omission, suspension of trading decision or ruling of any exchange or regulatory, governmental or other body or of any other person which is beyond the Stock Broker's control (including floor broker, exchange, dealing or clearing house) or
- ii) any war, strike, lock-out, natural disaster, act of terrorism, delay in postal services or any other delay or inaccuracy in the transmission of order or other information, or any breakdown, failure or malfunction beyond the control of the Stock Broker of any telecommunication or computer system.

The above Force Majeure events do not exempt the Client to fulfill the obligations in his account with the Stock-Broker.

## **21. COMMUNICATION AND NOTICES**

1. All notices or communications issued under this agreement shall be served in anyone or more or all of the following ways under (a) to (l) below and such notice or communication shall, be served at the ordinary business address and / or ordinary place of residence and / or last known address of the party in anyone or more of the following ways. (a) by post (b) by registered post (c) under certificate posting (d) by express delivery post (e) by telegram (f) affixing it on the door at the last known business or residential address (g) by oral communication to the party or on the last known telephone number or on the recording machine of such number (h) by advertising it in at least one prominent daily news paper having circulation in the area where the last known business or residential address of the Client is situated (i) by sending a message through trading system (j) by a notice posted on

the notice board of the Exchange/ Stock Broker if no address be known (k) by electronic mail or fax (l) by hand delivery.

2. Any communication sent by the Stock Broker to the Client or sub broker shall be deemed to have been Properly delivered or served, even if such communication is returned to the Stock Broker as unclaimed/refused/undelivered, if the same is sent to the ordinary business address and/or ordinary place of residence and/or last known address of the party, in anyone or more of the ways as mentioned in clause 21 (1) above.

## **22. SETTLEMENT OF CLAIMS**

For the illegal acts or unfair trade practices of the Client, if any penalty is levied or any other loss that may be suffered by the Stock Broker due to suspension of the Stock Brokership of the Stock Broker, the Stock Broker shall pass on the said penalty or fine or exemplary damages that are levied by the Exchange to the Client which shall be paid/adjusted from the balances, if any, of the Client lying with the Stock-Broker.

## **23. AMENDMENT**

The Stock Broker may from time to time amend the agreement if required, for complying with any change in Statute, Regulation or with the requirements of any competent authority or if required under its corporate policies. The same shall be intimated to the Client by the Stock Broker through the Sub Broker in writing through letters from time to time which shall be part and parcel of this agreement. In case the Client continues to deal with the Sub Broker in writing through letters from time to time which shall be part and parcel of this agreement. In case the Client continues to deal with the Sub Broker affiliated to the Stock Brokers subsequent to the intimation of such amendments, it shall be deemed that the Client is agreeable to the new clauses. However the Client has right to terminate the agreement through communication

in writing by giving one month notice subject to the meeting of the financial and other obligations under this agreement.

## 24. JURISDICTION AND GOVERNING LAW

All trades, transactions and contracts are subject to the Rules and Regulations of the Principal Stock Exchange on which trades have been executed and the parties to such shall be deemed to have submitted to Jurisdiction of the Courts in Mumbai if Principal Stock Exchange is a party and in other cases to the Jurisdiction of the Courts in Ludhiana for the purpose of giving effect the provisions of the Rules, Bye-Laws and Regulations of the Exchange (s).

## 25. INVESTMENT ADVICE:

25.1 The Client acknowledges that the Stock Broker shall not be liable to provide him with any legal, tax investment or accounting advice or advice regarding the suitability or profitability of a security or investment.

25.2 The Client also acknowledges that the Stock Broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any advice from the Stock Broker or any of its employees.

25.3 The Client agrees that in the event of the Stock Broker or any employee or official of the Stock Broker providing any information, to the Client, the Client may act upon the same at the sole risk and cost of the Client, and the Stock-Broker shall not be liable or responsible for the same.

25.4 The Client assumes full responsibility with respect to his investment decisions and transactions.

25.5 The Stock Broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

25.6 The Client shall always keep himself abreast of all requirements to be complied by him under various laws including the Foreign Exchange Management Act, 1999 wherever applicable and the rules, regulations, directions circulars, notifications or guidelines issued under or pursuant to the relevant laws.

26. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder.

This agreement can be altered, amended and/or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and signatures on the day, month and year first above written Signed for and on behalf of the Stock-Broker, the sub broker and the client.

Member	Sub-Broker	Client
For LSE Securities Limited	For _____ (Sub-broker's Name)	Name _____
Authorised Signatory _____	Authorised Signatory _____	Signature 28 (X) _____
Member : The Stock Exchange Mumbai SEBI Registration No. INB011087039 <b>Registered Office :</b> SCO 50, 1st Floor, Sector 34-A, Chandigarh	SEBI Reg. No. INS _____	
<b>Corporate Office</b> 1st Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana.	Address : _____	
Witness Signature _____	Witness Signature _____	Witness Signature _____
Name _____	Name _____	Name _____
Address _____	Address _____	Address _____

## AGREEMENT BETWEEN LSE SECURITIES LTD. AND CLIENT

### (FOR DERIVATIVES SEGMENT - NSE)

This agreement is made and executed at ..... this ..... day of ..... , 20\_\_\_ between: M/s LSE Securities Limited, a body corporate, registered under the Companies Act, 1956, being a member of the National Stock Exchange of India Limited (hereinafter called "the Exchange"), and having its registered office at SCO 50, 1<sup>st</sup> Floor, Sector 34-A, Chandigarh and Corporate Office at 1<sup>st</sup> Floor, Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana (hereinafter called "the stock broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its heirs, executors, administrators and legal representatives/the partners for the time being of the said entity, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

#### And

Mr./Ms/M/s.....  
an individual/a sole proprietary concern/a partnership firm/a body corporate, registered/ incorporated, under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its residence/ registered office at.....

(hereinafter called "the client") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part;

Whereas the stock broker is registered as the stock broker of the National Stock Exchange of India Limited with SEBI registration number INF231087033 in the Futures and Options Segment.

Whereas the client is desirous of investing/trading in those securities/ contracts/other instruments admitted to dealings on the Exchange as defined in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time.

Whereas the client has satisfied 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..

Whereas the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided; and

Whereas the stock broker has taken steps and 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.

WHEREAS the stock broker and the client agree to be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.

Now, therefore, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the following terms and conditions:

1. The client agrees to immediately notify the stock broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker at the time of opening of the account or at any time thereafter.
2. The stock broker declares that it has brought the contents of the risk disclosure document to the



notice of client and made him aware of the significance of the said document. The client agrees that:

- a. He has read and understood the risks involved in trading on a stock exchange.
  - b. He shall be wholly responsible for all his investment decisions and trades.
  - c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
  - d. He is liable to 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.
  - e. 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 closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
3. The Client agrees to 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 agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchange/SEBI.
  4. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
  5. The stock broker shall issue, individually for each client, contract notes in the format prescribed by the relevant stock exchange.
  6. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), 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.
  7. The stock broker agrees 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 SEBI Rules and Regulation circulars/guidelines/ Exchanges Rules/Regulations/Bye-laws and circulars.
  8. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
  9. The stock broker agrees to inform the client and keep him apprised about trading/settlement cycles, delivery/ payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange.
  10. 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 successors, heirs and assigns shall be entitled to

any surplus which may result there from.

11. The stock broker agrees that it shall co-operate in redressing grievances of the client in respect of transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.
12. The stock broker shall continue to be responsible for replacing bad deliveries of the client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the client.
13. 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 it may have had transactions in securities.
14. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.
15. The stock broker hereby agrees that he shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him and the client and that he shall be liable to implement the arbitration awards made in such proceedings.
16. Information about default in payment/delivery and related aspects by a client shall be brought to the notice of the relevant stock Exchange(s). 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 to the relevant stock exchange(s).
17. The stock broker and the client agree to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
18. The stock broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
19. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange 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 Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.
20. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
21. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled.
22. This agreement shall forthwith terminate; 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 issued by the Board is cancelled.
23. The stock broker and the client shall be entitled to terminate this agreement 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 agreement 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.
24. In addition to the specific rights set out in this

Agreement, the stock 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 Exchange and circulars issued thereunder or Rules and Regulations of SEBI.

25. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, guidelines and circulars issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchange that may be in force from time to time.

26. The stock broker hereby undertakes to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it 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 its his client to any person or authority with the express permission of the client.

27. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder.

This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, 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 Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

IN WITNESS WHEREOF, the parties to the Agreement have caused these presents to be executed as on the day and year first above written.

Signed & delivered by the LSE Securities Limited

Signed & delivered by the Client

Member		Client	
For LSE Securities Limited		Name _____	
_____		_____	
Authorised Signatory		Signature 33 (X)	
Witness Signature	Witness Signature	Witness Signature	Witness Signature
Name Address	Name Address	Name Address	Name Address

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between the parties.

32 (X)

(Client Signature)

(Authorised Signatory  
LSE Securities Limited)

# AGREEMENT BETWEEN LSE SECURITIES LTD. AND CLIENT

(FOR DERIVATIVES SEGMENT - NSE)

## OPTIONAL CLAUSES

**DOCUMENT IS VOLUNTARY (To be signed at the discretion of client)**

### 1. CONTRACT NOTES, BILLS, STATEMENT OF ACCOUNTS

- a. The client hereby accepts in writing under his/her/its signature for the issuance of ECN for trades to be executed in his account. He/She/it undertakes to inform immediately about change in email id (if any)
- b. The Client agrees to accept the contract notes, bills, statement of accounts (securities & funds) and other related documents in respect of his/her/ their transactions through the Stock Broker in electronic form at the email id mentioned in the Client Registration Form or by way of any other mode as may be agreed between the Stock Broker and the Client from time to time in this regard.
- c. The Client understand that it is his/her/ its responsibility to review the contract notes, the bills or statements of account immediately upon their receipt via the electronic media or otherwise. All information contained therein shall be binding upon the Client, if the client does not object in writing to any of the contents of Contract Notes immediately and of bills and statement of accounts within prescribed time, by Exchanges, of Receipts of such bills and statement of accounts from sub-brokers/Stock Brokers.
- d. The client understands and agrees that non-receipt of bounced mail of Contract Notes and other statements shall amount to delivery and will be treated as delivered in all aspects.

### 2. TRANSACTION FOR ANY OTHER PERSON

The Client agrees that he will not do any trades/transactions for any other person other than him in any capacity whatsoever.

### 3. GUARANTEE OF TRADE

It is disclosed that the Stock Broker does not enter into any Proprietary trades.

### 4. PROPRIETARY TRADING

The Client understands that placing an order with

the stock broker including a market order does not guarantee execution of the order. The stock Broker has absolute right to reject any order that may be made by the client for any reasons whatsoever including for the breach of the requirement of maintaining the prescribed margin/deposit in the client account/bank account.

### 5. PAY OUT OF FUNDS

The Stock Broker has made aware the client the norms for payout of funds and in order to facilitate operations and his banking convenience the Client hereby authorizes the Stock-Broker to maintain a running account with the Stock-Broker, instead of settlement to settlement clearance of funds due to the client. Further the payout of funds may be retained by the Stock-Broker and the client agrees not to claim any interest from the Stock-Broker on such funds so retained by the Stock-Broker. The funds so retained shall be available to the Stock-Broker for exposure/margin purposes otherwise. The Client further agrees that the Stock-Broker shall not be liable for any claim for loss or profit, or for any consequential, incidental, special or exemplary damages, caused by retention of such funds under this agreement or on written request of the client to the Stock Broker, the Stock-Broker may release the funds to him, if sufficient margins in respect of his trading, across the Stock Exchange(s) and across the segment(s) of the stock exchange(s) are available with the Stock-Broker. The client authorizes the Stock Broker to transfer, make adjustments and/ or to set off a part or whole of the securities placed as margin and/or any surplus funds in any of my account (s) maintained with Stock Broker for meeting my/ our obligations towards margin, pay-in and any other obligations due to the Stock Broker in any of his/ her/ their account (s) maintained with Stock Broker.

## 6. CLIENT'S AUTHORIZATION

The Client authorizes the Stock-Broker, (at the Stock-Broker's discretion, should the Stock-Broker deem necessary for the Stock-Broker's protection), to buy, sell or close out any part or all of the trades done by the Client in his/her/its account with the Stock-Broker. Any and all losses, financial charges and/or incidental expenses incurred by the Stock-Broker in doing the aforesaid shall at the discretion of the Stock-Broker, be reimbursed by the Client/Charged to and borne by the Client/deductible by the Stock-Broker from the monies and/or collateral/margin of the Client available with the Stock-Broker.

## 7. MARGINS

The client shall pay the daily margins, special margin or such other margins as determined by the Stock Broker or the Exchange from time to time.

The Client hereby agree that the Stock-Broker shall be entitled to charge penal charges at such rate as may be determined by Stock-Broker in its sole discretion on the debit balance in the collateral/margin account of the Client. Without prejudice to the foregoing, the Stock-Broker shall be entitled to refuse to execute any order of the Client, until such time the Client deposits adequate collateral/margin to the satisfaction of the Stock-Broker. The Client agrees that except for the first and exclusive interest created by the Client in favour of Stock Broker, without the prior written consent of the Stock-Broker, it shall not cause to be or become the subject matter of any lien or pledge or encumbrances of any nature whatsoever.

The Client hereby confirm that all collateral/margin owned by the client singly or jointly and deposited with the Stock Broker for the purpose of securing the dealings of the Client shall be subject to a continuing security, lien and set off for the discharge and satisfaction of the obligations or liabilities of the Client to the Stock-Broker. The Stock-Broker may hold such collateral/margin until the dues and/or

obligations of the Client as aforesaid are fully satisfied and the Client shall remain liable for any deficiency that may arise after applying the proceeds of such collateral/margin.

The Client hereby authorize the Stock-Broker to deposit with any depository participant, Clearing House (as the case may be), any custodian or any other such authority authorized for this purpose under applicable law, all or part of collaterals/margin placed by the client with the stock broker as security for the purpose of operation for this agreement, until such time as the client becomes eligible for delivery or refund (as the case may be) of such collateral/margin.

The stock broker reserves the right in the sole and absolute discretion to collect additional margins (even though not imposed by the Exchange (as the case may be) and / or SEBI), and the client shall be required to pay such additional margins to the stock broker.

## 8. DISCHARGE OF OBLIGATION AND COMPLIANCE BY THE CLIENT

The Client hereby undertakes to,

- a. discharge its obligations with respect to payment for the dealings in a timely manner, so as to enable the Stock-Broker to meet its obligations to the relevant Exchange(s), the clearing House (as the case may be) and/or otherwise; and
- b. Otherwise be fully responsible for all of its dealings, payments and orders.

The Client shall be liable for all such liabilities as may arise due to non fulfillment of any obligations by the Stock Broker towards any Exchange or any other regulatory authority due to the noncompliance by the Client of its obligations to or through the Stock Broker.

## 9. RESTRICTIONS AND REGULATIONS OF DEALINGS:

The Stock-Broker shall at its discretion decide, from time to time, the volume of business which the Client may transact during any trading day on the Exchange. Notwithstanding such an agreement /arrangement, the Stock Broker shall have absolute discretion to reduce the volume of



business of the Client or restrict dealings by the Client without any prior notice to the Client inter alia, having regard to

1. the volatility in the market;
2. in view of impending price sensitive announcements;
3. any restrictions in relation to volume of trading/outstanding business or margins stipulated by any Exchange;
4. political instability in the Country;
5. presence of any other price sensitive factors;
6. failure by the Client to maintain the applicable collateral/margin; and / or
7. delays by the Client in meeting its obligations / dues relating to the business / dealings done under this Agreement or pursuant to any other agreement between the Client and the Stock-Broker.

#### **10. LIQUIDATION / CLOSE OUT OF POSITIONS:**

Without prejudice to the stock broker's other rights including the right to refer a matter to arbitration, the stock broker shall be entitled to liquidate / close out all or any of the client's positions for non payment of margins, other amounts due from the client to the stock broker.

#### **11. SHARING OF INFORMATION**

The Client agrees to immediately furnish information to the Stock-Broker in writing in the event that is likely to have an adverse effect on the financial position of the Client.

Upon receipt of information from the Client as aforesaid, the Stock-Broker shall be entitled to take such action (in its absolute discretion) as it may consider necessary in order to protect its own interest, including without limitation liquidating/closing out all outstanding positions of the Client.

Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker on account of such liquidation/closing out shall (at the discretion of the Stock Broker), be reimbursed by the Client/ Charged to and borne by the Client/deductible by the Stock Broker from the monies and /or Clients Collateral/Margin

available with the Stock Broker.

Similarly, the Stock Broker agrees to inform Client of the following.

- i. the trades/transactions and the contract executed and associated obligations to the client.
- ii. the daily settlement position and daily obligations of the Client in relation to its dealings through the Stock Broker on the Exchange, and

#### **12. EFFECT OF ATTACHMENT**

The Stock-Broker shall not be liable for refusing to obey orders given by or for the Client with respect to its account(s) with the Stock Broker (including without limitation of any Client Account) Which has or have been subject to attachment in any legal proceeding or under any applicable law for the time being in force, against the Client and the Stock Broker shall not be under any obligation to contest the validity of such attachment or sequestration. Further the Client shall be liable to indemnify the Stock Broker from and against any loss of expenses suffered and/or incurred by the Stock Broker as a result of such attachment.

#### **13. SEVERABILITY**

In the event of any provisions of this Agreement being held to be becoming invalid, unenforceable or illegal for any reason, such invalidity unenforceability or illegality shall attach only to such provision or condition, and this Agreement shall remain otherwise in full force apart from the said provision, which will be deemed deleted. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition was not contained herein. The Stock-Broker shall however attempt to replace the deleted provision with a legally valid provision that reflects the same purpose as the deleted provision to the greatest extent possible.

#### **14. NO WAIVER**

Any failure and/or delay on the part of the Stock Broker to insist on strict compliance/exercise with any of the terms, conditions, provisions, powers

and/or rights in this Agreement or a continued course of such conduct shall at no time operate as waiver, in full/part, of such terms, conditions, provisions, powers and/or rights. All such powers, remedies and/or rights are cumulative and not exclusive to any other powers, remedies and/or rights that the Stock Broker may otherwise have.

#### **15. FORCE MAJEURE**

The Stock-Broker shall not be responsible for any losses, costs or damages resulting directly or indirectly from:

- i) any action, omission, suspension of trading decision or ruling of any exchange or regulatory, governmental or other body or of any other person which is beyond the Stock Broker's control (including floor broker, exchange, dealing or clearing house) or
- ii) any war, strike, lock-out, natural disaster, act of terrorism, delay in postal services or any other delay or inaccuracy in the transmission of order or other information, or any breakdown, failure or malfunction beyond the control of the Stock Broker of any telecommunication or computer system.

The above Force Majeure events do not exempt the Client to fulfill the obligations in his account with the Stock-Broker.

#### **16. COMMUNICATION AND NOTICES**

1. All notices or communications issued under this agreement shall be served in anyone or more or all of the following ways under (a) to (l) below and such notice or communication shall, be served at the ordinary business address and / or ordinary place of residence and / or last known address of the party in anyone or more of the following ways.  
(a) by post (b) by registered post (c) under certificate posting (d) by express delivery post (e) by telegram (f) affixing it on the door at the last known business or residential address (g) by oral communication to the party or on the last known telephone number or on the recording machine of such number(h) by advertising it in atleast one

prominent daily news paper having circulation in the area where the last known business or residential address of the Client is situated (i) by sending a message through trading system (j) by a notice posted on the notice board of the Exchange/ Stock Broker if no address be known (k) by electronic mail or fax (l) by hand delivery.

2. Any communication sent by the Stock Broker to the Client shall be deemed to have been Properly delivered or served, even if such communication is returned to the Stock Broker as unclaimed/refused/undelivered, if the same is sent to the ordinary business address and / or ordinary place of residence and/or last known address of the party, in anyone or more of the ways as mentioned in clause 16 (1) above.

#### **17. SETTLEMENT OF CLAIMS**

For the illegal acts or unfair trade practices of the Client, if any penalty is levied or any other loss that may be suffered by the Stock Broker due to suspension of the Stock Brokership of the Stock Broker, the Stock Broker shall pass on the said penalty or fine or exemplary damages that are levied by the Exchange to the Client which shall be paid/adjusted from the balances, if any, of the Client lying with the Stock-Broker.

#### **18. AMENDMENT**

The Stock Broker may from time to time amend the agreement if required, for complying with any change in Statute, Regulation or with the requirements of any competent authority or if required under its corporate policies. The same shall be intimated to the Client by the Stock Broker in writing through letters from time to time which shall be part and parcel of this agreement. In case the Client continues to deal with the Stock Broker subsequent to the intimation of such amendments, it shall be deemed that the Client is agreeable to the new clauses. However the Client has right to terminate the agreement through communication in writing by giving one month notice subject to the meeting of the financial and other obligations under this agreement.

## 19. JURISDICTION AND GOVERNING LAW

All trades, transactions and contracts are subject to the Rules and Regulations of the Principal Stock Exchange on which trades have been executed and the parties to such shall be deemed to have submitted to Jurisdiction of the Courts in Mumbai if Principal Stock Exchange is a party and in other cases to the Jurisdiction of the Courts in Ludhiana for the purpose of giving effect the provisions of the Rules, Bye-Laws and Regulations of the Exchange (s).

## 20. INVESTMENT ADVICE:

20.1 The Client acknowledges that the Stock Broker shall not be liable to provide him with any legal tax investment or accounting advice or advice regarding the suitability or profitability of a security or investment.

20.2 The Client also acknowledges that the Stock Broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any advice from the Stock Broker or any of its employees.

20.3 The Client agrees that in the event of the Stock Broker or any employee or official of the Stock Broker providing any information, to the Client, the Client may act upon the same at the sole risk and cost of the Client, and the Stock-Broker shall not be liable or responsible for the same.

20.4 The Client assumes full responsibility with respect to his investment decisions and transactions.

20.5 The Stock Broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

20.6 The Client shall always keep himself abreast of all requirements to be complied by him under various laws including the Foreign Exchange Management Act, 1999 wherever applicable and the rules, regulations, directions circulars, notifications or guidelines issued under or pursuant to the relevant laws.

21. Words and expressions which are used in this agreement, but which are not defined herein shall, unless the context otherwise required, have the same meanings as assigned thereto in the rules, byelaws and regulations of the Exchange and circulars issued thereunder.

This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided however, 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 Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

IN WITNESS WHEREOF, the parties to the Agreement have caused these presents to be executed as on the day and year first above written.

Signed & delivered by the LSE Securities Limited

Signed & delivered by the Client

Member		Client	
For LSE Securities Limited _____		Name _____	
Authorized Signatory		Signature 37 (X)	
Witness Signature	Witness Signature	Witness Signature	Witness Signature
Name Address	Name Address	Name Address	Name Address

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between the parties.

## COMBINED RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET/CASH SEGMENT AND FUTURES & OPTIONS SEGMENT

This document is issued by the member of the National Stock Exchange of India (hereinafter referred to as "NSE") / The Stock Exchange, Mumbai (hereinafter referred to as "BSE") which has been formulated by the Exchanges in coordination with the Securities and Exchange Board of India (hereinafter referred to as "SEBI") and contains important information on trading in Equities and F&O Segments of NSE / BSE. All prospective constituents should read this document before trading on Capital Market/Cash Segment or F&O segment of the Exchanges.

NSE/BSE/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 has NSE / BSE/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 contractual relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that investment in Equity shares, derivative or other instruments traded on the Stock Exchange(s), 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 NSE/BSE and suffer adverse consequences or loss, you shall be solely responsible for the same and NSE/BSE, its Clearing Corporation/Clearing House 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 member. 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 security or derivative being traded on NSE/BSE.

It must be clearly understood by you that your dealings on NSE / BSE through a member shall be subject to your fulfilling certain formalities set out by the member, which may inter alia include your filling the know your client form, client registration form, execution of an agreement, etc., and are subject to the Rules, Byelaws and Regulations of NSE/BSE and its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by NSE/BSE or its Clearing Corporation/Clearing House and in force from time to time.

NSE / BSE 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 trading member and/or sub-broker of NSE / BSE 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/investment 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 INVOLVED IN TRADING ON THE STOCK EXCHANGE (EQUITY AND OTHER INSTRUMENTS)

#### 1.1 Risk of Higher Volatility

Volatility refers to the dynamic changes in price that securities undergo when trading activity continues on the Stock Exchange. Generally, higher the volatility of a security/contract, greater is its price swings:

38 (X)

\_\_\_\_\_  
(Client Signature)



There maybe normally greater volatility in thinly traded securities /contracts than in active securities/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 there after, 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 /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 / contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / contracts purchased or sold. There may' be a risk of lower liquidity in some securities / contracts as compared to active securities / 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/selling without intention of giving and/or taking delivery of a security, as part of a day trading strategy, may also result into losses, because in such a situation, stocks may have to be sold/purchased at a low/high prices, compared to the expected price levels, so as not to have any obligation to deliver/receive a security.

## 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 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 / contracts. This in turn will hamper better price formation.

## 1.4 Risk-reducing orders

Most Exchanges have a facility for investors

to place "limit orders", " stop loss orders" etc". The placing of such orders (e.g., "stop lost order", 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.

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 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 / contract, and such order gets activated 'if and when the stock / 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 stock 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 stock / contract might penetrate the predetermined price, in which case, the risk of such order not getting executed arises, just a with a regular limit order.

## 1.5 Risk of News Announcements

Issuers make news announcements that may



impact the price of the securities / contracts. These announcements 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 Rumours**

Rumours about companies 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 rumours.

#### **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 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 due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

#### **1.8 System/Network Congestion :**

Trading on NSE/BSE 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 the control of 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 Futures and Options segment is concerned, please note and get yourself acquainted with the following additional features :

#### **2.1 Effect of "Leverage" or "Gearing"**

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 principal investment amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives trading 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 equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

- A. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index. If the index has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time, generally before commencement of trading next day.
- B. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the broker/member 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 liquidity 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 the 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 Exchange 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 Commission and other charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### **3.2 Deposited cash and property**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which has been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the member, the same shall be subject to arbitration as per the byelaws/regulations of the Exchange.

- 3.3** For rights and obligations of the clients, please refer to Annexure-I enclosed with this document.

- 3.4** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a member for the purpose of acquiring and/or selling of securities through the mechanism provided by NSE/BSE.

- 3.5** The term 'member' shall mean and include a trading member, a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI. I hereby acknowledge that I have received and understood this risk disclosure statement and Annexure-I containing my rights and obligations.

41 (X)

(Client Signature)

**NORM FOR THE REGULATIONS OF TRANSACTIONS BETWEEN LSE SECURITIES LIMITED AND ITS CLIENTS  
AS PER SEBI CIRCULAR MIRSD/SE/CIR19/2009 DATED DEC.3, 2009**

**a. PENNY STOCKS**

A Client will be allowed to trade in Penny Stocks i.e. Trade to Trade shares which fall in Z category and are being traded at value less than its face value, up to Rs. 1 Lakh per day with out any restriction or prohibition but in case value to be traded is more than Rs. 1 Lakh per day then 100% margin is to be deposited prior to trade.

**b. CLIENT'S EXPOSURE LIMIT**

In Cash Segments exposure limits of branches will be set by the Company on the basis of deposits available and client exposure limits will be set by branches.

In F&O and Currency Segments, exposure available to Clients will be based on Upfront Margins and deposits available with LSE Securities Limited.

**c. BROKERAGE RATE**

Brokerage to be charged inclusive of transactions charges but exclusive of Statutory Levies and subject to maximum brokerage permissible as per the rules, regulations of the Exchanges and SEBI.

**d. SELLING/CLOSING OF THE CLIENTS' POSITION WITHOUT PRIOR INTIMATION TO THE CLIENT**

LSE Securities Limited reserves the right (without affecting right to impose penalties as pointed out in point e) to sell the securities and close out positions of the clients without giving notice to the client, if there is a default in payment of dues, limited to the extent of debit obligations whether of pay-in or margin.

**e. PENALTIES/DELAYED PAYMENT IN CASE OF SETTLEMENT/MARGIN OBLIGATIONS.**

If there is delay in payment of margin or settlement obligations i.e. margins/credit balances lying in credit of the client are not transferred within one working day of the request by the client similarly debit balances in client accounts are not cleared within three working days of the notice to clear the same, penalty @ 1.5% for every failure or part thereof is to be imposed on either party by other party. Trading and further exposure will be barred till clearance of debit balance alongwith penalty.

**f. INTERNAL NETTING OF TRADES**

If shortages arise out of Internal netting of trades then local auction will be done and in case shares are not bought in auction then, internal closing will be done at highest price of the share from trading day till auction day or closing price of the share on the Auction day plus 10% which ever is higher in case of shortage of obligations.

**g. LIQUIDATION/CLOSE OUT POSITIONS.**

LSE Securities Limited shall be entitled to close out all or any clients' position for non payment of margins or any other dues, in the event of death of the client, insolvency of the client or otherwise barred by any regulatory authorities like SEBI, NSE, BSE, MCX-SX, PMLA regulations or any government authorities etc and at any point of time the client indulges in any manipulative or illegal activities. Further clients will not be allowed to take fresh positions.

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

On the written request of the client the trading will be suspended temporarily or account will be closed within 24 hours.

**i. DEREGISTERING A CLIENT.**

Within 24 hours, on receiving the written request from the client and sub broker provided all dues are cleared. If the request is received from one party for the deactivation, then sending 30 days notice to the other party for confirmation and then account will be deactivated on receiving confirmation or expiry of 30 days which ever is earlier.

**j. INACTIVE ACCOUNTS**

If the client is inactive for the continuous period of six months that client's account will be considered as dormant account.

It will be activated on written request of the sub broker, if the above said period is less than two years and if period is more than two years, it will be activated on written request of the client only. Assets of those accounts will be transferred immediately on clients' request after clearance of dues, if any.

## ANNEXURE - 1

### INVESTOR'S RIGHTS AND OBLIGATIONS

- 1.1 You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the stock market or the broking firm's insolvency or bankruptcy.
  - 1.1.1 Please ensure that you have a documentary proof of your having made deposit of such money or property with the member, stating towards which account such money or property deposited.
  - 1.1.2 Further, it may be noted that the extent to which you may recover such money or property may be governed by the Bye-laws and Regulations of NSE/ BSE and the scheme of the Investors' Protection Fund in force from time to time.
  - 1.1.3 Any dispute with the member with respect to deposits, margin money, etc., and producing an appropriate proof thereof, shall be subject to arbitration as per the Rules, Byelaws/ Regulations of NSE/BSE or its Clearing Corporation / Clearing House.
- 1.2 Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.
- 1.3 You should exercise due diligence and comply with the following requirements of the NSE/BSE and/or SEBI:
  - 1.3.1 Please deal only with and through SEBI registered members of the Stock Exchange and are enabled to trade on the Exchange. All SEBI registered members are given a registration no., which may be verified from SEBI. The details of all members of NSE/BSE and whether they are enabled to trade may be verified from NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com)).
  - 1.3.2 Demand any such information, details and documents from the member, for the purpose of verification, as you may find it necessary to satisfy yourself about his credentials.
  - 1.3.3 Furnish all such details in full as are required by the member as required in 'Know Your Client' form, which may also include details of PAN or Passport or Driving Licence or Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by SEBI/NSE at any time, as is available with the investor.
  - 1.3.4 Execute a broker-client agreement in the form prescribed by SEBI and/or the Relevant Authority of NSE/BSE or their Clearing Corporations/ Clearing Houses from time to time, because this may be useful as a proof of your dealing arrangements with the member.
  - 1.3.5 Give any order for buy or sell of a security in writing or in such form or manner, as may be mutually agreed. Giving instructions in writing ensures that you have proof of your intent, in case of disputes with the member.
  - 1.3.6 Ensure that a contract note is issued to you by the member which contains minute records of every transaction. Verify that the contract note contains details of order no., trade number, trade time, trade price, trade quantity, name of security, client code allotted to you and showing the brokerage separately. Contract notes' are required to be given/sent by the member to the investors latest on the next working day of the trade. Contract note can be issued by the member either in electronic form using digital signature as required, or in hard copy. In case you do not receive a contract note on the next working day or at a mutually agreed time, please get in touch with the Investors Grievance Cell of NSE/BSE, without delaying.
  - 1.3.7 Facility of Trade Verification is available on NSE/BSE website ([www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com)), where details of trade as

43 (X)

(Client Signature)

mentioned in the contract note may be verified from the trade date upto five trading days. 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 NSE/BSE.

- 1.3.8 Ensure that payment/delivery of securities against settlement is given to the concerned member within one working day prior to the date of pay-in announced by NSE/BSE or it's Clearing Corporation/Clearing House. Payments should be made only by account payee cheque in favour of the firm/company of the trading member and a receipt or acknowledgement towards what such payment is made be obtained from the member. Delivery of securities is made to the pool account of the member rather than to the beneficiary account of the member.
- 1.3.9 In case pay-out of money and/or securities is not received on the next working day after date of payout announced by NSE/BSE or its Clearing Corporation / Clearing House, please follow-up with the concerned member for its release. In case pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investors' Grievance Cell of NSE/BSE.
- 1.3.10 Every member is required to send a complete 'Statement of Accounts', for both funds and securities settlement to each of its constituents, at such periodicity as may be prescribed by time to time. You should report errors, if any, in the Statement immediately, but not later than 30 calendar days of receipt thereof, to the member. In case the error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE/BSE, without delaying.
- 1.3.11 In case of a complaint against a member/registered sub-broker, you should address the complaint to the Office as may be specified by NSE/BSE from time to time.

- 1.4 In case where a member surrenders his membership, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE/NSCCL/ Clearing House within the stipulated period and with the supporting documents.
- 1.5 In case where a member is expelled from trading membership or declared defaulter, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE within the stipulated period and with the supporting documents.
- 1.6 Claims against a defaulter/expelled member found to be valid as prescribed in the relevant Rules/Bye -laws and the scheme under the Investors' Protection Fund (IPF) may be payable first out of the amount vested in the Committee for Settlement of Claims against Defaulters, on pro-rata basis if the amount is inadequate. The balance amount of claims, if any, to a maximum amount of Rs.10 lakhs per investor claim, per defaulter/expelled member may be payable subject to such claims being found payable under the scheme of the IPF.

#### NOTES:

1. The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a trading member of NSE/BSE for the purpose of acquiring and / or selling of securities through the mechanism provided by NSE/BSE.
2. The term 'member' shall mean and include a member or a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.
3. NSE/BSE may be substituted with names of the relevant exchanges, wherever applicable.

44 (X)

(Client Signature)



# CHECKLIST

**TO BE FILLED UP BY BRANCH/ SUB-BROKER**  
The form will not be accepted if the checklist is incomplete.

NO.	PARTICULARS	BRANCH/ SUB- BROKER	HEAD OFFICE
<b>A.</b>	<b>RESIDENT INDIVIDUAL</b>		
1.	Proof of Identity of account holder (any of the following)		
	PAN Card _____ Passport _____ Voter ID Card _____ Driving Licence _____		
2.	How is the identity of the client verified		
3.	Address proof account holder (any one of the following)		
	Passport _____ Voter ID Card _____ Driving Licence _____ Ration Card _____ Telephone Bill _____ Electricity Bill _____ Bank Passbook _____ Flat Maintenance Bill _____ Rent Agreement _____		
4.	Does address proof match with the corresponding address given by client		
5.	Has the address of the client verified by the Branch		
6.	Signed Photograph of all holders		
7.	Copy of Cheque/ Cancelled Cheque/ Bank Statement		
8.	All pages of the agreement duly signed by all holder		
9.	Name, Address & Signature of witness on agreement taken		
10.	Standing Instructions specified		
11.	All the document collected are verified with the original		
12.	Verification stamp with signature, name, & date of the documents collected.		
13.	Form is complete with all respects		
14.	Details regarding Introducer		
15.	Action taken by SEBI or other regulatory authorities during the last 3 years		
<b>B.</b>	<b>PROPRIETORSHIP FIRM</b>		
1.	Latest photograph of Proprietor signed by the Proprietor		
2.	Proof of Identity of the Proprietor		
3.	Income Tax proof of the Proprietor		
4.	Address proof of Proprietor		
5.	Verification from the bank stating that the account is in the name of the proprietorship firm & the name of the proprietor on bank letterhead		
6.	Proprietorship firm stamp affixed wherever the proprietor signs on the agreement		
7.	Details regarding Introducer		
8.	Action taken by SEBI or other regulatory authorities during the last 3 years		
<b>C.</b>	<b>NRI ACCOUNT (CANNOT OPEN AN ON-LINE ACCOUNT)</b>		
1.	Copy of RBI Approval letter (Primary Banks are also allowed)		
2.	Copy of Passport		
3.	Indian & Foreign address of Client alongwith the proof		
4.	Power of Attorney Letter to whom power is given for signature & trading on behalf of him (certified true copy)		
5.	Personal details of Authorized Person to whom the power of attorney is given for signature & trading on behalf of him		
6.	Letter obtained from client for getting Unique client code from NSE in case of Derivative Trading		
7.	Agreement to be signed by the Client on all the pages		
8.	Bank A/c Should be NRE or NRO		
9.	Details regarding Introducer		
10.	Action taken by SEBI or other regulatory authorities during the last 3 years		

All information & particulars in this application have been verified to the best of my knowledge and belief and the photo copy retained have been verified with original documents.

Place \_\_\_\_\_

(Name of the Sub-broker)

(Name & Designation of Head Official)

Date \_\_\_\_\_

(Signature of Sub-broker)

(Signature of Head Office Official)

# LSE SECURITIES LIMITED

(A SUBSIDIARY OF LUDHIANA STOCK EXCHANGE LIMITED)

## BRIEF DETAILS OF THE CLIENT

1. Name of the Client :
2. Client Code :
3. Father's Name / Husband's Name :
4. Sex : \_\_\_\_\_ :
5. Constitution / Status : Individual / Proprietorship / Minor
6. Address :
7. Telephone No. :
8. Mobile No. :
9. Fax No. :
10. Email ID :
11. PAN Number :
12. Annual Income :
13. Bank Name & Address with Account Number :
14. DP Name & Address with Beneficiary A/c No. :
15. Proof of Identity / Address :

(Please tick whichever is applicable)

Voter ID	Passport	Driving Licence	Ration Card	Electricity Bill	Telephone Bill	Rent Agreement	Bank Statement/ Pass-book

## BROKERAGE SLABS

(Exclusive of Stamp, Duty, Service Tax, STT and any other Statutory Levies)

Brokerage Slab	Slab%	Minimum Paise	Table No.
Daily Square Up (Trading)			
Delivery Based			

## DECLARATION BY THE CLIENT

I/ We have attached the certified true copy of the relevant documents as proof.

I/ We \_\_\_\_\_ do hereby declare that what is stated above is true to the best of knowledge and belief.

Name of the client	<sup>45</sup> ⓧ Signature of the client	Date

## DECLARATION BY THE BRANCH HEAD / SUB-BROKER

I hereby certify that I have checked and verified the above information/ documents from the original records and recommend the registration of Mr. /Ms/M/s \_\_\_\_\_ as a client of LSE Securities Limited.

Name of the Branch Head / Sub-broker	
Date	
Signature of the Branch Head / Sub-broker	

## **INVESTOR EDUCATION FOR DEALING IN SECURITIES**

### **DOs :**

- ☼ Deal only through SEBI registered intermediaries.
- ☼ Complete all the required formalities of opening account properly (Client registration, Client agreement forms etc.)
- ☼ Assess the risk - return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- ☼ Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- ☼ Insist on a contract note for your transaction. Verify all details in contract note, immediately on receipt.
- ☼ Keep copies of all your investment documentation.
- ☼ Handle Delivery Instruction Slips (DIS) Book issued by DPs carefully.
- ☼ Pay the margins required to be paid in the time prescribed.

### **DON'Ts :**

- ☼ Don't undertake off-market transactions in securities.
- ☼ Don't deal with unregistered intermediaries.
- ☼ Don't invest on the basis of rumors; verify before investment.
- ☼ Don't forget to take note of risks involved in the investment.
- ☼ Don't be misled by so called hot tips. Don't try to time the market.
- ☼ Don't leave signed blank Delivery Instruction Slips of your demat account lying around carelessly or with anyone.

---

### **Your Rights as a Shareholder :**

- To receive copies of the Annual Report containing the Balance Sheet, the Profit & Loss account and the Auditor's Report.
- To participate and vote in general meetings either personally or through proxy.
- To receive dividends in due time once approved in general meetings.
- To receive corporate benefits like rights, bonus, etc. once approved.
- To apply to Company Law Board (CLB) to call or direct the Annual General Meeting.
- To approach against the company by way of civil or criminal proceedings.

- To call for an Extra-ordinary General meeting.
- To demand a poll on any resolution.
- To apply to CLB to investigate the affairs of the company, seek relief in cases of oppression and/or mismanagement.

### **Your Responsibilities are :**

- To be specific
- To remain informed
- To be vigilant
- To participate and vote in general meetings
- To exercise your rights on your own or as a group

**LSE SECURITIES LIMITED - PROMOTING INVESTOR EDUCATION**

## *North India's Leading Broking House Offers*

*On Line Trading at NSE, BSE, MCX-SX*  
(Access to largest markets on a single trading terminal)

*DP Services of NSDL, CDSL & NSEL*  
(Lowest rates, faster settlement & great convenience)

*Large Network of Sub-Brokers*  
(Over 160 Registered Sub-Broker Spreaded all over Punjab, Himachal, Haryana & Delhi)

*Bidding & Collection Centre for IPOs*

*On Line Mutual Fund Buying & Selling*

# **LSE SECURITIES LTD.**

**A SUBSIDIARY OF LUDHIANA STOCK EXCHANGE**

### **REGISTERED OFFICE**

**LSE SECURITIES LTD.**

SCO 50, 1st Floor, Sector 34-A,  
Chandigarh Ph. : 0172-5065460

### **CORPORATE OFFICE :**

**LSE SECURITIES LTD.**

1st Floor, Ludhiana Stock Exchange Building,  
Feroze Gandhi Market, Ludhiana-141 001 (Punjab)  
Ph. : 0161-4612317, 4612318, 5068131

### **DP BRANCHES :**

#### **AMRITSAR :**

35-36, Deep Complex, Court Road,  
Amristar, Ph. : 0183-5018601

#### **FEROZEPUR :**

Near H.M. Sr. School,  
Malwal Road, Ferozepur  
Ph. : 01632-503437-38

#### **JALANDHAR :**

Milbartan Building, Opp. Girls Govt. Higher  
Secondary School, P.N.B. Chowk, Jalandhar.  
Ph. : 0181-5073480

#### **UNA :**

Chaudhary Ramsaran, Saini Complex  
Opp. Bus Stand. UNA  
Ph. : 01975-224245

#### **SANGRUR :**

Near Main Post Office, Banasar Bagh  
Sangrur. Ph. : 01672-503281, 503282

#### **CHANDIGARH :**

SCO 50, 1st Floor, Sector 34-A,  
Chandigarh Ph. : 0172-5065460