



Mandatory Document

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<b>PART B</b>			
1		A. KYC Form – Have collected separately B. Additional information about the Trading account –	NA
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Name of stock broker/trading member/clearing member: **Macquarie Capital Securities (India) Pvt. Ltd.**

SEBI Registration Number	:	INZ000243533 (Membership with NSE / BSE Capital Markets and NSE Trading and Clearing in F&O Segment)
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Details of Compliance officer and CEO

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For any grievance/dispute please contact Macquarie Capital Securities (India) Pvt. Ltd. ("MCSIPL") at the above address or email ID – [Investor.Complaints@macquarie.com](mailto:Investor.Complaints@macquarie.com) and Phone no. +91 22 6720 4000. In case not satisfied with the response, please contact the concerned exchange(s): NSE at [ignse@nse.co.in](mailto:ignse@nse.co.in) and phone no. +91 22 2659 8190; BSE at [is@bseindia.com](mailto:is@bseindia.com) and phone no. +91 22 2272 8138.

For Regulatory Disclosures refer to <https://www.macquarie.com/in/en/disclosures/india-msg-disclosure.html>

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

*as prescribed by SEBI and the Stock Exchanges*

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

### **CLIENT INFORMATION**

6. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
7. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
8. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
9. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

### **MARGINS**

10. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

11. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

## **TRANSACTIONS AND SETTLEMENTS**

12. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
13. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
14. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
15. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
16. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued thereunder.

## **BROKERAGE**

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

## **LIQUIDATION AND CLOSE OUT OF POSITION**

18. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
19. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

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

#### **DISPUTE RESOLUTION**

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

#### **TERMINATION OF RELATIONSHIP**

26. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
27. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

#### **ADDITIONAL RIGHTS AND OBLIGATIONS**

28. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
29. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
30. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

31. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
32. The stock broker shall send a complete `Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
33. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
34. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.
35. The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.

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

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

41. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

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

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

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

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.

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

*\*\*MCSIPL does not currently offer Internet based / Wireless trading facility.*

## **RISK DISCLOSURE DOCUMENT FOR THE CAPITAL MARKET AND THE DERIVATIVES SEGMENTS**

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

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

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

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

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

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

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

### **1. BASIC RISKS:**

#### **1.1 Risk of Higher Volatility:**

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



## **1.2 Risk of Lower Liquidity**

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

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

## **1.3 Risk of Wider Spreads:**

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

## **1.4 Risk-reducing orders:**

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

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

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

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

## **1.5 Risk of News Announcements:**

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

## **1.6 Risk of Rumors:**

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

## **1.7 System Risk:**

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

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

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

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

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

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

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

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

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

A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

### **2.2 Currency specific risks:**

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

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

### **2.3 Risk of Option holders:**

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

2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

### **2.4 Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.

2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

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

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

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

### **4. GENERAL**

**4.1** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.

**4.2** The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.



## **GUIDANCE NOTE - DO'S AND DON'TS FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS**

### **BEFORE YOU BEGIN TO TRADE**

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

### **TRANSACTIONS AND SETTLEMENTS**

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

- b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
- c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
- d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and e-mail id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or e-mail, by the end of the trading day, from the stock exchanges.

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

16. In case a stock broker surrenders his membership, is expelled from membership or declared a defaulter, stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities, which may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

#### **DISPUTES/ COMPLAINTS**

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

The above documents are available in vernacular language at the below links:

[https://www.nseindia.com/membership/content/complinc\\_trading\\_mem.htm](https://www.nseindia.com/membership/content/complinc_trading_mem.htm)  
[http://www.bseindia.com/investors/client\\_regislanguages.aspx](http://www.bseindia.com/investors/client_regislanguages.aspx)



## DISCLOSURE OF POLICIES AND PROCEDURES TO CLIENTS

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In terms of the Securities Exchange Board of India ("SEBI") circular dated December 3, 2009, read with NSE Circular No. NSE/INSP/2010/91 and BSE Notice No. 20100203-30, both dated February 3, 2010, Macquarie Capital Securities (India) Private Limited ("MCSIPL") requests you to take note of the following Policies and Procedures.

### **a) Exchanges**

MCSIPL is a SEBI registered Stock Broker, having membership with the National Stock Exchange of India Limited (Capital and Futures and Options market segments) and Bombay Stock Exchange Limited (Capital Market Segment). Your trades in the Capital Market segment will be executed on both the exchanges unless you provide specific instructions in this regard.

### **b) Penny Stock**

MCSIPL may at its discretion refuse an order for penny stocks (i.e. stocks which are listed as illiquid stocks by the exchanges.)

### **c) Exposure limits**

MCSIPL shall assign trading exposure limits to you from time to time. These limits may be set exchange-wise, segment-wise and/or scrip-wise. MCSIPL retains the discretion to set and modify your exposure limits from time to time.

### **d) Brokerage**

MCSIPL shall not charge brokerage which is in excess of the brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and / or rules and regulations of SEBI. You shall pay commissions as mutually agreed between us from time to time.

### **e) Closing of account at your request**

You are entitled to close your trading account by giving a notice of not less than one month; upon receipt MCSIPL will close your trading account unless agreed otherwise in writing. In case MCSIPL are mandated to undertake a one off transaction with you, subsequent to completion of transaction your trading account with MCSIPL will be closed.

### **f) Charges**

If an exchange levies any penalty or charges to MCSIPL on account of your default to meet your obligations, MCSIPL shall be entitled to recover such penalty or payment charges.

### **g) Right to sell securities / close out positions without notice**

In the event of non-payment of margin or other settlement dues or any other dues that are recoverable by MCSIPL from you, MCSIPL has the right to close out / liquidate or square off any or all of your open positions (limited to the extent of settlement / margin obligation) and the securities / collaterals placed by you with MCSIPL as margins, without giving you any prior notice. The proceeds of the same shall be adjusted against your lawful liabilities / lawful obligations. The resultant or associated losses that may occur due to such close-out / liquidation shall be debited to your account.

### **h) Shortages in obligations arising out of internal netting of trades**

For institutional clients, trades are confirmed by the custodian by T+1 before a stipulated time and the custodian takes on the responsibility of settling the trade with the Exchange. If the custodian does not confirm a particular trade, then the trade will devolve on MCSIPL. In such a scenario, MCSIPL will settle the trade as a Delivery versus Payment trade. In such instances, in case of shortages, the following policy would be applicable:

- ✓ For a buy transaction - If a client fails to make payment of consideration to MCSIPL in respect of any one or more securities purchased by it before the pay-in date notified by the Exchange, MCSIPL reserves right to sell the securities received in pay-out, in proportion to the amount not received, after taking into account any amount lying to the credit of the client, by selling equivalent securities at any time. The unpaid securities shall be compulsorily liquidated using the UCC of the respective client and the profit/loss, if any, shall be transferred to/adjusted from the respective client account.
- ✓ For a sell transaction: If a client fails to deliver any one or more securities to the pool account of MCSIPL (in case such trades devolves on MCSIPL and it agrees to settle the trade as Delivery versus Payment) in respect of the securities sold by the client before the pay-in deadline notified by the Exchange, such undischarged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close-out price, as may be debited to MCSIPL in respect of the security for the respective settlement, to the extent traceable to the client who has failed to deliver; otherwise the close out price on the date of pay-out in respect of the relevant securities, declared by the Exchange. The loss, if any, on account of the close out shall be recovered from the client alongwith other penal charges as levied by the Exchange. The profit if any, shall be transferred to the Exchange Investor Protection fund.

Subject to what is stated above, no further claims shall lie between the client and MCSIPL.

**i) Restriction on further positions / close out of existing positions**

MCSIPL shall have absolute discretion to limit your volume of business or to close out any of your existing positions without giving you any prior notice, under certain conditions including but not limited to the following:

- Shortfall in the margin deposited by you with MCSIPL
- Unpaid securities shall be disposed of.
- Restrictions imposed by the stock exchanges or regulators on the volume of trading or outstanding positions of contracts.
- Exhaustion of trading member limits by MCSIPL or client-wise limits by you
- Extreme volatility in the market or in particular scrip or in the F&O segment.
- Stoppage of trading by the stock exchanges due to abnormal rise or fall in the market
- Any unforeseen adverse market conditions or any natural calamity affecting the operation of the market.

The proceeds of the same shall be adjusted against your lawful liabilities / lawful obligations. The resultant or associated losses that may occur due to such close-out / liquidation shall be debited to your account.

**j) Deregistering Client**

MCSIPL shall deregister you as a client, if you are barred by SEBI or any regulatory authorities to deal in the securities market or you do not hold a valid registration certificate granted by SEBI or RBI.

**k) Dormant / Inactive accounts**

MCSIPL carries out periodic review of customer accounts that are inactive for more than 12 calendar months preceding the date of review. These accounts shall be considered for closure, subject to the senior management approval. Where there is request on re-activation of dormant/closed accounts, MCSIPL shall determine the adequacy of existing documentation and perform the CDD measures in accordance with the Customer Acceptance & Know and Your Customer Policy.

**l) Best Execution Policy**

We take all reasonable steps when executing a client's orders to achieve the best overall result for the client. The purpose of the Best Execution Policy (the "Policy") is to establish the framework for achieving this objective. Please refer to the [Best Execution Policy](#).

**M) Termination of Relationship**

In addition to the clause 27 of the Rights and Obligations of Stock broker and Clients, the stock broker may terminate this relationship with the client with immediate effect by notice in writing if, in its reasonable opinion, the client has committed any breach of this agreement, any applicable laws, Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange or any applicable internal policy of the stock broker.

Kindly note that the above stated Policies and Procedures are subject to change from time to time, depending upon our internal risk management framework or regulatory changes which will be communicated to the client through an exchange approved mode of communication.

Please also note that other than above, MCSIPL has put in place various policies and procedures for internal control, managing clients, managing conflicts, trading and dealing, that including but not limited to the Personal Dealing policy, Record Keeping policy, Anti Money Laundering Policy and Customer Acceptance & Know Your Customer Policy and Procedures (which includes the treatment of inactive clients and the procedure for reactivation of the same), the Dealing Error Policy etc.

## OTHER DISCLOSURES

### 1. Exchange notification regarding Abnormal / Non - Genuine Transactions

With a view to identify and alert the market participants such as Stock Brokers and their clients at an early stage about any unusual/abnormal activity, the Exchanges have decided jointly with the Indian Capital Market Regulator to issue observation/caution letters to brokers/clients where prima facie, unusual/abnormal activities are observed by the Exchange. You are advised to refrain from entering abnormal / non – genuine transactions primarily with an objective of transferring profit / loss between the concerned entities or creation of artificial volume in securities / Contracts , else penalty of 100 % of trade value / profit made / loss incurred as result of trades shall be levied by Exchanges. In certain cases, amount equivalent to trades in security shall be blocked and released only after seeking rationale on the said trades and further scrutiny of KYC / source of funds. Also, certain disciplinary action may be initiated for any multiple instances of such abnormal / non-genuine trades. Please refer to the NSE and BSE circulars on Guidance note of Abnormal / non-genuine trades dated December 13, 2018 and February 07, 2019.

### 2. Proprietary Trading by the company:

- We wish to inform you that MCSIPL may be engaging in a proprietary trading (i.e. trading in its own name) in securities on the Capital market and Futures and Options market segments of the recognized stock exchanges in India.
- MCSIPL has put in place various policies, procedures and internal controls to appropriately manage conflicts, if any between agency trades and proprietary trading activities in accordance with the regulatory requirements.

### 3. Ownership of Stock Exchanges and Clearing corporations of India

As per the Securities Contract Regulations (Stock Exchanges and Clearing Corporations) Regulations 2012 (“SECC Regulations”), no person can directly or indirectly, acquire or hold equity shares of a recognised stock exchange or recognised clearing corporation unless they are fit and proper person in terms of Regulations 19 and 20 of SECC Regulations, as may be amended.

Only eligible investors under Regulation 17 of the SECC Regulations who meet the ‘fit and proper person’ criteria as defined under Regulations 19 and 20 of the SECC Regulations, as amended, can invest in listed Indian stock exchanges and/or Clearing corporations.

The extract of Regulations 19 & 20 is reproduced below for your ready reference:

#### ***Eligibility for acquiring or holding shares.***

*19. (1) No person shall, directly or indirectly, acquire or hold any equity shares or voting rights of a recognised stock exchange or recognized clearing corporation unless he is a fit and proper person: Provided that the onus shall be on the recognised stock exchange/ recognised clearing corporation to ensure that all its shareholders are fit and proper persons: Provided further that such a requirement to ensure that all its shareholders are fit and proper persons shall not be applicable to a recognized stock exchange for shareholding of a person who directly or indirectly, acquires or holds less than two percent equity shares or voting rights of such recognized stock exchange. (2) – (3) A person eligible to acquire or hold more than five per cent of the paid up equity share capital under sub-regulation (2) and (3) of regulation 17 and sub-regulation (2) and (3) of regulation 18 may acquire or hold more than*



five per cent of the paid up equity share capital of a recognised stock exchange or a recognised clearing corporation only if he has obtained prior approval of the Board. (4) The application for seeking approval in terms of sub-regulation (3) of this regulation shall be made to the Board in the manner specified at PART – F of Schedule – II of these regulations through the concerned stock exchange / clearing corporation. (5) The stock exchange / clearing corporation shall verify the declarations/ undertakings given by the shareholders under sub-regulation (4) and forward the application along with its recommendation for approval to the Board. (6) - (7) Any person holding two per cent. or more of the paid up equity share capital in a recognised stock exchange or a recognised clearing corporation, as the case may be, shall file a declaration within fifteen days from the end of every financial year to the recognised stock exchange or recognised clearing corporation, as the case may be, that he complies with the fit and proper criteria provided in these regulations.

**Requirement and criteria of fit and proper criteria.**

21. (1) The recognised stock exchange/ recognised clearing corporation shall ensure that all its directors and key management personnel are fit and proper persons at all times. (2) For the purposes of these regulations, a person shall be deemed to be a fit and proper person if— (a) such person has a general reputation and record of fairness and integrity, including but not limited to (i) financial integrity; (ii) good reputation and character; and (iii) honesty; (b) such person has not incurred any of the following disqualifications (i) the person or any of its whole time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws; (ii) an order for winding up has been passed against the person; (iii) the person, or any of its whole time directors or managing partners, has been declared insolvent and has not been discharged; (iv) an order, restraining, prohibiting or debaring the person or any of its whole time directors or managing partners, from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulatory authority and a period of three years from the date of the expiry of the period specified in the order has not elapsed; (v) any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed; (vi) the Board has initiated recovery proceedings under the SEBI Act, 1992 and are pending; (vii) the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force; (viii) the person is financially not sound or has been categorized as a willful defaulter; and (ix) any other disqualification as specified by the Board.

**4. Ownership of listed Depositories in India**

As specified under Regulation 22(1) of the SEBI (Depositories and Participants) Regulations, 2018 (“DP Regulations”); no person can directly or indirectly, acquire or hold equity shares of a Depository unless they are “fit and proper” person as per Schedule II of the SEBI (Intermediaries) Regulations, 2008, as amended.

Only eligible shareholders under the Regulation 22(1)) of the SEBI (Depositories and Participants) Regulations, 2018 who meet the ‘fit and proper person’ criteria as defined under Schedule II of the SEBI (Intermediaries) Regulations, 2008, as amended, can invest in in listed Depositories.

The extract of Regulations 22(1) of the DP Regulations and Schedule II of the SEBI (Intermediaries) Regulations, 2008, as amended; 20 is reproduced below for your ready reference:

✓ **Regulation 6(B) of SEBI (DEPOSITORIES AND PARTICIPANTS) REGULATIONS, 2012, as amended**

**Eligibility for acquiring or holding shares in a depository.**

22. (1) No person shall, directly or indirectly, acquire or hold equity shares or voting rights of a depository unless he is a fit and proper person. The depository shall ensure that all its shareholders are fit and proper persons: Provided that such a requirement to ensure that all its shareholders are fit and proper persons shall not be applicable to a depository for shareholding of a person who directly or indirectly, acquires or holds less than two percent equity shares or voting rights of such depository. (2) - (3) Any person eligible to acquire or hold more than five percent of the paid up equity share capital under sub-regulation (1) and sub-regulation (2) of regulation 21 may acquire or hold more than five percent of the paid up equity share capital of a depository only if the person has obtained prior approval

of the Board. (4) The application for seeking approval in terms of sub-regulation (3) of this regulation shall be made to the Board in Form E of the First Schedule through the depository concerned. (5) The depository shall verify the declarations/ undertakings given by the shareholders under sub-regulation (4) and forward the application, along with its recommendation for approval of the Board. (6) - (7) Any person holding two percent or more of the paid up equity share capital in a depository shall file a declaration within fifteen days from the end of every financial year to the depository that he complies with the fit and proper criteria.

✓ **Schedule II of the SEBI (INTERMEDIARIES) REGULATIONS, 2008, as amended**

For the purpose of determining as to whether any person is a 'fit and proper person', the Board may take into account any criteria as it deems fit, including but not limited to the following: (a) integrity, honesty, ethical behaviour, reputation, fairness and character of the person; (b) the person not incurring any of the following disqualifications: (i) criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending; (ii) charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending; (iii) an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force; (iv) recovery proceedings have been initiated by the Board against such person and are pending; (v) an order of conviction has been passed against such person by a court for any offence involving moral turpitude; (vi) any winding up proceedings have been initiated or an order for winding up has been passed against such person; (vii) such person has been declared insolvent and not discharged; (viii) such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force; (ix) such person has been categorized as a wilful defaulter; (x) such person has been declared a fugitive economic offender; or (xi) any other disqualification as may be specified by the Board from time to time.

**5. Graded Surveillance Measure (GSM) framework**

NSE and BSE (Exchanges) in consultation with SEBI introduced graded surveillance measures (GSM) to protect investors from the perils of trading in scrips where the rise in price is not corresponding with their financial performance and business fundamentals. The main objective of these measures is to;

- alert and advice investors to be extra cautious while dealing in these securities and
- advice market participants to carry out necessary due diligence while dealing in these securities.

The list of such securities identified under GSM are informed to market participants from time to time and also available on exchanges website. All market participants including investors dealing in identified securities have to be extra cautious and diligent. As a policy MCSIPL will not facilitate any buy trade for securities identified under GSM.

**6. Engaging agents**

By appointing MCSIPL as your stock broker, you agree that MCSIPL is authorize to engage agents and service providers (and those agents and service providers can themselves engage their own agents and service providers) to perform or support all or part of its duties as a stock broker, and accordingly agree for MCSIPL to provide information regarding your account(s) (including, without limitation, client details and trade data) to such agents or service providers. Functions including but not limited to onboarding of clients, ongoing review and monitoring, technology support, providing insurance under professional indemnity policies, operations and settlement functions may also be performed or provided by an affiliate, service provider and/or agent, whether in India or overseas jurisdictions. In addition, overseas authorities including exchanges, the police, tax authorities and other regulators may request access to your information and MCSIPL, its affiliate, service provider or agent will comply with such requests when compelled to do so. You acknowledge and agree that regulators in India (including the SEBI, NSE, BSE and RBI) also have a right of access to information regarding your account(s) even after any outsourcing by MCSIPL.

**7. SCORES – Disclosure**

You may also file complaints on SCORES – SEBI Complaints Redress System:

Register on SCORES portal  
[www.scores.gov.in](http://www.scores.gov.in)

Mandatory details for filing complaints on SCORES:

- Name, PAN, Address, Mobile Number, Email ID

#### **Benefits**

- Effective communication
- Speedy redressal of the grievances

### **8. Unique client code mapping for institutional clients**

SEBI regulations mandates use of unique client codes (“UCC”) at the order execution level. In Capital Market segment, for institutional clients, segment SEBI allows use of UCC of the parent account of mutual fund and foreign institutional investors at the order entry level before the trades are subsequently allocated to the individual schemes / funds in the post- closing session. This would enable us to provide a weighted average price across all accounts. The UCC is mapped with permanent account number (“PAN”) issued by the Indian revenue authorities. We have separately notified you the PAN and account name which has been mapped with your UCC at group level for execution of order of institutional accounts managed at group level. You are required to intimate MCSIPL in writing should there be any change in the PAN status, or the said account is deactivated as FPI, and we would amend the mapping based on your advice. MCSIPL shall not be responsible for any consequences that ensue from where you have provided incorrect or outdated UCC or PAN information.

- Use of UCC at the order entry level

NSE vide its circular Ref No 97/2023 dated April 17, 2023 advised that it will levy a penalty of a minimum of 1% (in some cases 2%) of the value of the trades where client code modification was carried out without a valid reason. We advise you to send orders identifying the correct client code, If an exchange levies any penalty or charges to MCSIPL due to client code modification that is attributable to an order of yours that identified an incorrect client code, MCSIPL shall be entitled to recover such penalty or payment charges from you.

### **9. Business Resilience**

MCSIPL is not required to establish a DR set in terms of the Guidelines on Technical Glitches to prevent business disruptions issued by NSE and BSE vide its circular dated 15 December 2021, however at Macquarie we have Resilience Management framework that requires consistent and effective implementation of standards at a global, regional and local level and ensures and our ability to prepare for, respond to and recover from business disruptions.

### **10. Attention to investors**

Please refer to the [Investor Advisory](#) and [Investor Charter for Stock Brokers](#) inter-alia detailing the services provided to Investors, Rights of Investors, various activities of Stockbrokers issued by SEBI. You may also refer to the [data on investors complaints](#) received by MCSIPL.

As notified by the Stock Exchanges, please refer to the [Advisory for KYC updation](#), reminding investors regarding KYC compliance on or before March 31, 2022. Investors are also advised to beware of unregistered Investment advisors, offering assured returns and seeking trading credentials.

As part of SEBI’s initiative of to enrich investors with the knowledge about securities market, SEBI has launched a mobile app called “Saa᳚᳚᳚᳚” this app will help to enlighten investors about the know-how of trading and settlement, the process of KYC. We request investor to download SEBI’s App called “Saa᳚᳚᳚᳚”.

## 11. Validation of Instructions

Please refer to [SEBI circular](#) on Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations, you are advised to implement Pay-in validations and the relevant operating guidelines issued by the Depositories.

## 12. Display of Details of Client Bank Accounts on Website pursuant to NSE circular reference no NSE/INSP/55402 dated January 27, 2023 and BSE circular reference no 20230127 – 42 dated January 27, 2023

Investors are requested to note that **Macquarie Capital Securities (India) Private Limited** is permitted to receive money from investor through designated bank accounts only named as Up Streaming Client Nodal Bank Account (USCNBA). **Macquarie Capital Securities (India) Private Limited** is also required to disclose these USCNB accounts to Stock Exchange. Hence, you are requested to use following USCNB client bank accounts only for the purpose of dealings in your trading account with us. The details of these USCNB accounts are also displayed by Stock Exchanges on their website under “Know/ Locate your Stockbroker”.

Name of Bank Account	Bank Account Number	IFSC
MACQUARIE CAP SEC IPL USCNB A/C	'11818005	CITI0100000
MACQUARIE CAPITAL SECURITIES (INDIA) PVT LTD USCNB ACCOUNT	'00010340005536	HDFC0000060
MACQUARIE CAP SEC IPL-USCNBA	'002153534001	HSBC01INDIA
MACQUARIE CAP SEC I P L-USCNB ACCOUNT	'000405032568	ICIC0000004
MACQUARIE CAPITAL SECURITIES (INDIA) PRIVATE LIMITED - USCNB ACCOUNT	'22205410517	SCBL0036001
MACQUARIE CAPITAL SECURITIES (INDIA) PRIVATE LIMITED - USCNB ACCOUNT	'22205293243	SCBL0036001
MACQUARIE CAPITAL SECURITIES (INDIA) PRIVATE LIMITED - USCNB ACCOUNT	'22205332664	SCBL0036001

## 13. E-voting facility

This is in reference to the SEBI circular dated December 09, 2020, encouraging retail investors to participate in voting motion of listed companies. Kindly refer to the link below for accessing the e-voting pages of various e- voting service providers (ESPs), where the shareholders were given the option to register directly with the depository or access the various ESP portals from their demat accounts.

<https://nsdl.co.in/value/e-Voting.php>

<https://www.evotingindia.com/>



## TARIFF SHEET

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### **A. Brokerage**

#### **a) Trading Services in the Capital Market/F&O Segment**

Commission rate will be as agreed upon between the Client and the Stockbroker from time to time.

**b) Levies and taxes: -** will be as agreed upon between the Client and the Stockbroker from time to time

(a) GST and cess (as applicable from time to time): Inclusive in / Exclusive of brokerage

(b) Securities Transaction Tax (as applicable from time to time): Inclusive in / Exclusive of brokerage



Registered Office: 92, Level 9 2 North Avenue, Maker Maxity Bandra Kurla Complex Bandra East Mumbai 400 051 INDIA	Telephone Fax Dealing Room Tel CIN	+91 22 6720 4000 +91 22 6720 4327 +91 22 6653 3200 U65920MH1995PTC090696
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## Investor Charter – Stock Brokers

### VISION

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

### MISSION

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

### Services provided to Investors

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

### Rights of Investors

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- **Understand** the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access
- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

### Various activities of Stock Brokers with timelines

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

### **DOs and DON'Ts for Investors**

#### **DOs**

1. Read all documents and conditions being agreed before signing the account opening form.
2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.
3. Read the product / operational framework /timelines related to various Trading and Clearing & Settlement processes.
4. Receive all information about brokerage, fees and other charges levied.
5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.
6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.

#### **DON'Ts**

1. Do not deal with un registered stock broker.
2. Do not forget to strike off blanks in your account opening and KYC.
3. Do not submit an incomplete account opening and KYC form.
4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.
5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stockbroker.
6. Do not ignore any emails /SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.

## DOs

7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.
8. Receive funds and securities / commodities on time within 24 hours from pay-out.
9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.
10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).
11. In case of any grievances, approach stockbroker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.

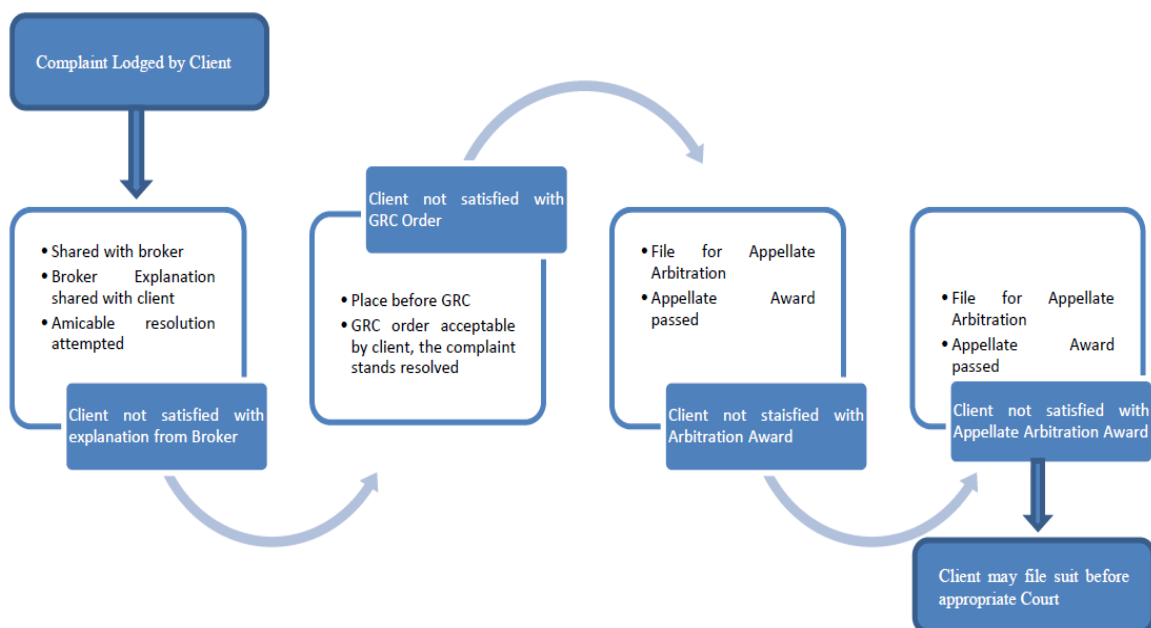
## DON'Ts

7. Do not opt for digital contracts, if not familiar with computers.
8. Do not share trading password.
9. Do not fall prey to fixed /guaranteed returns schemes.
10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks /securities promising huge profits.
11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.

## Grievance Redressal Mechanism

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

**Level 2** – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange. Complaints Resolution Process at Stock Exchange explained graphically:





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

No.	Type of Activity	Timelines for activity
1.	Receipt of Complaint	Day of complaint (C Day).
2.	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3.	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4.	Amicable Resolution.	T+15 Working Days.
5.	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6.	Complete resolution process post GRC.	T + 30 Working Days.
7.	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8.	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
9.	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF).The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

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

### Default of TM/CM

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

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period.
- Following information is available on Stock Exchange website for information of investors:
  - Norms for eligibility of claims for compensation from IPF.
  - Claim form for lodging claim against defaulter stock broker.
  - FAQ on processing of investors' claims against Defaulter stock broker.

- Provision to check online status of client's claim.

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

## Investor Complaint Escalation Matrix for Macquarie Capital Securities (India) Pvt. Ltd.

Details of	Contact Person	Address	Contact No.	Email Id
Customer care	Sanjay Gupta	92, Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex,	+91 22 6720 4072	<a href="mailto:Sanjay.Gupta@macquarie.com">Sanjay.Gupta@macquarie.com</a>
MacCap Regional Complaint Handling Coordinator	Anthony Mok	Bandra East, Mumbai 400 051	+886 2 2579 7236	<a href="mailto:Anthony.Mok@macquarie.com">Anthony.Mok@macquarie.com</a>
MacCap Regional Complaint Handling Manager	Sam Fay		+852 3922 3352	<a href="mailto:Sam.Fay@macquarie.com">Sam.Fay@macquarie.com</a>
Compliance Officer – India	Gitanjali Mehta		+91 22 6720 4060	<a href="mailto:Gitanjali.Mehta@macquarie.com">Gitanjali.Mehta@macquarie.com</a>
Head of Equities – India	Sandeep Bhatia		+91 22 6720 4101	<a href="mailto:Sandeep.Bhatia@macquarie.com">Sandeep.Bhatia@macquarie.com</a>

In absence of response/complaint not addressed to your satisfaction, you may lodge a complaint with SEBI at <https://www.scores.gov.in/scores/Welcome.html> or NSE at <https://investorhelpline.nseindia.com/NICEPLUS/> and BSE at <https://bsecrecs.bseindia.com/ecomplaint/frmlInvestorHome.aspx>. Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchanges portal.

### Multiple complaint handling facilities are easily accessible:

Complaints may be submitted by clients/counterparties, free of charge, in writing, online or verbally. In addition to any jurisdictional- or entity-specific requirements which may be set out in Compliance or business procedures manuals, clients/counterparties may raise complaints via any of the below mechanisms:

Online	<a href="#">Feedback and complaints</a>	By email (MacCap Division, Asia)	<a href="mailto:maccapcomplaintasia@macquarie.com">maccapcomplaintasia@macquarie.com</a>
In Writing – India	92, Level 9, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai 400 051	By email - India	<a href="mailto:MSGrievanceRedressel@macquarie.com">MSGrievanceRedressel@macquarie.com</a> (India)
In Writing – Global	The Complaints Officer Macquarie Group Limited GPO Box 4294 Sydney NSW 1164 Australia	By email – Global	<a href="mailto:complaints@macquarie.com">complaints@macquarie.com</a> <a href="mailto:privacy@macquarie.com">privacy@macquarie.com</a> (where the complaint is related to privacy or information handling)