

Investor FAQs for KARVY I-Zone + Plan

1. What is KARVY I-Zone + Plan? OR What all do I get when I enroll for a KARVY I-Zone + Plan?

Karvy I-Zone + Plan is a plan developed by Karvy Group in response to our customers' request to give them a FULL-SERVICE Plan, backed by ADVISORY SERVICES, which would enable our customers to avail of ALL possible investment options through one single Plan, and do so with the peace of mind that the investments are backed by sound advice.

By enrolling for the Karvy I-Zone + Plan, a customer gets to invest / trade in all of the following:

- ❖ SIP Investments – to an unlimited extent
- ❖ MF Transactions – to an unlimited extent
- ❖ Online Application for IPOs
- ❖ Stock-trading – Cash Segment BSE
- ❖ Stock-trading – Cash Segment NSE
- ❖ Derivatives Segment NSE
- ❖ Currency Futures (CDS) NSE
- ❖ Currency Futures (CDS) MCX
- ❖ Commodities MCX
- ❖ Commodities NCDEX

The above are enabled through following facilities, which the I-Zone + customer gets as part of Plan:

- ❖ Depository Account (demat account)
- ❖ Trading Platform
- ❖ IBROWSE (Browser version of equity trading platform)
- ❖ TRADEX (Executable version of equity trading platform)
- ❖ XTRADE (Light Browser version of equity trading platform)
- ❖ ODIN DIET (Executable version of commodity trading platform)
- ❖ iNET.NET (Browser version of commodity trading platform)

To make the investments smarter, the I-Zone + customer has access to the following Research, Planning Aids and Periodic Tracking Statements / Inputs:

- ❖ Stock Advisory Services
- ❖ MF Advisory Services
- ❖ Insurance Advisory Services
- ❖ Research Reports
- ❖ Financial Health Check
- ❖ Subscription to "FINAPOLIS" magazine
- ❖ Portfolio Tracker
- ❖ Quarterly Portfolio Statement
- ❖ SMS Alerts

2. What are the various charges for the Plan?

To become a Karvy I-Zone + member, you can start off by writing a cheque of only the minimum Margin Deposit money of Rs. 5000. Once your application has been processed and your I-Zone + Plan has been activated, we will debit Rs. 200 every month out of the Margin Deposit money of Rs.5,000/- towards the account maintenance charges (AMC) of the Plan for the first year. This Rs. 200 per month will accumulate to an AMC of Rs. 2,400/- for the 1st year. The initial Margin Deposit money will also be deducted with Stamp Charges of Rs. 350 that are to be paid to the Government for the registration of your Stock-broking and Commodities-broking accounts. With this arrangement, you will be still left with Rs. 2,250/- as the Margin Deposit money at the end of the 1st year, which can be utilized by you to undertake trading / investment transactions.

Alternately, you can pay an initial lump sum amount of Rs. 7,000/- which will comprise of an upfront AMC payment of Rs. 2,000/-, a deduction of Rs. 350/- towards stamp charges and remaining Rs. 4,650/- as a Margin deposit. With this option, you get a 16.67% discount on annual AMC of Rs. 2,400 that would be otherwise payable in installments of Rs. 200/- per month. Also, you get to use the entire Margin deposit of Rs. 4,650/- for your trading / investment transactions.

From the second year onwards, you will be required to pay an AMC of Rs. 2000 if this is being paid as a lump sum amount. You can also opt for payment of Rs. 200 per month, which will get totaled to Rs. 2,400 for the entire year.

AMC can thus be paid either in installments or as a lump sum amount.

With the I-Zone + registration, you get a complimentary LIFE-TIME FREE demat account.

3. What are the brokerage payable by me on the equity and commodity trading / investment transactions?

The brokerage charged on your equity and commodity trading and investment transactions will be at the most competitive rates in the entire industry. For details on the rates, please contact your KARVY personal finance advisor.

4. I can see the value that my Rs 2000 is fetching in terms of ability to do all types of investments, but still, can you help with explaining in some money-value terms if I am getting this much of value?

For Rs. 2000 per annum (as payable upfront or Rs. 2,400 p.a. payable on a monthly basis), you will be entitled to the following through your I-Zone + Plan:

Investments / trading in:

- ❖ SIP Investments - unlimited
- ❖ MF Transactions - unlimited
- ❖ Online Application for IPOs
- ❖ Stock-trading - Cash Segment BSE

- ❖ Stock-trading - Cash Segment A/c. NSE
- ❖ Derivatives Segment NSE
- ❖ Currency Futures (CDS) NSE
- ❖ Currency Futures (CDS) MCX
- ❖ Commodities MCX
- ❖ Commodities NCDEX

Investments / Trading through:

- ❖ Depository Account (demat account)
- ❖ Trading Platform
- ❖ IBROWSE (Browser version of equity trading platform)
- ❖ TRADEX (Executable version of equity trading platform)
- ❖ XTRADE (Light Browser version of equity trading platform)
- ❖ ODIN DIET (Executable version of commodity trading platform)
- ❖ iNET.NET (Browser version of commodity trading platform)

Access to:

- ❖ Stock Advisory Services
- ❖ MF Advisory Services
- ❖ Insurance Advisory Services
- ❖ Research Reports
- ❖ Financial Health Check
- ❖ Subscription to "FINAPOLIS" magazine
- ❖ Portfolio Tracker
- ❖ Quarterly Portfolio Statement
- ❖ SMS Alerts.

The monetary savings from you KARVY I-Zone + Plan, when compared to what you would pay for availing the above services / facilities on a piece-by-piece approach from any financial services provider, is GREATER THAN RS. 1250 - Rs. 5000. Better returns on your portfolio, which you will get because of better planning based on the Financial Health-Check and Advisory Services will be 'an icing on the cake'.

To understand the point of savings of Rs. 1250 or even more, let us discuss the following points of comparison of your I-Zone + Plan vis-à-vis the other Plans available in the market:

- ❖ If you buy 10 to 15 MF schemes of Rs. 10,000 each over a year, you will end up paying Rs. 1500 to Rs. 3000 to your Bank or Distributor, since some of them are charging Rs 100 per transaction and some are charging about 2% of the invested amount, as advisory fees. With I-Zone +, you can invest to an unlimited extent in MF schemes at NO ADDITIONAL COST.
- ❖ The normal annual charge for a Stock-broking + Demat account is anywhere between Rs.300 to Rs. 500.

- ❖ The normal annual charge for a Commodities-broking account is anywhere between Rs.100 to Rs. 200.
- ❖ The market price for an elementary Financial Health-Check is anywhere between Rs. 1000-1500.
- ❖ The market price for 'FinaPolis' magazine is Rs. 25 / month.

5. How do I enroll into KARVY I-Zone + Plan? OR What are various options available to enroll for KARVY I-Zone + Plan?

You can enroll for KARVY I-Zone + Plan through any of the following:

- ❖ Walk into your nearest KARVY Branch / Outlet and ask for a KARVY I-Zone + Plan – detailed list available on www.karvy.com
- ❖ Call toll free at 1800-425-8282 and ask for a Personal Finance Executive to call you with details within 48 hours
- ❖ SMS "I-Zone +" to 56767 – a Personal Finance Executive will call you back with details within 48 hours
- ❖ E-mail your request to I-ZonePlus@karvy.com – a Personal Finance Executive will call you back with details within 48 hours

6. What are the steps for enrollment?

In any of the above 4 options, the Karvy Executive will make you fill an enrollment form and you need to give a cheque for the starting amount as explained in Question 2 above. Rest will be taken care of by the back-end team of Karvy and your I-Zone + Plan, along with on-line investment & trading facility will be activated within 3-5 working days.

7. What do I do if I do not want to enroll for this Plan but just want to invest in a few Mutual Fund schemes?

You have to enroll to the I-Zone + Plan if you want to invest in mutual funds.

8. What do I do if I do not want to enroll for Plan but just want to enroll for a plain demat + stock-broking account OR enroll for a plain commodities broking account?

You will need to enroll for the I-Zone + Plan, even if you want only a demat and a broking account and do not want to invest in mutual funds.

In case of enrollment only for commodities broking, you will need to pay Rs. 250 for opening the commodity broking account.

9. What do I do if I do not want to enroll for the I-Zone + Plan but still want to buy some corporate FDs or Bonds or invest in the NFOs or IPOs?

You can do that. Your KARVY executive will explain to you the process and you can normally buy any of the above investments through him. However, please remember that you will not be eligible for

the Financial Health Check or have access to any of the Research & Advisory Services that come bundled along with the KARVY I-Zone + Plan.

We will strongly recommend you to become an I-Zone + member so that you have a access to the comprehensive world of investments and invest judiciously and smartly.

10. Can I get a feel of “Advisory Services” that we have mentioned in the KARVY I-Zone + Plan?

You will have access to following reports, alerts and information on your on-line investment & trading portal, www.karvyonline.com, once you have registered for the plan. The details of the services provided are:

MUTUAL FUND ADVISORY:

- ❖ Market capitalization, theme and sector based advice. *MF schemes being selected and bifurcated as Large-Cap oriented, Mid-Cap oriented, Small-cap oriented and Multi-cap, etc., ‘cap’ or capitalization of a particular equity stock refers to the capital market value of the total number of those equity shares from a particular issuing company (i.e. market price of the share X total number of issued & paid-up shares). Investment ‘Themes’ refer to investments focused on particular themes such as the theme of Infrastructure, Power etc. Sector based MF schemes are the schemes which focus on a particular sector such as the BFSI (Banking, Financial Services & Insurance) sector.*
- ❖ Style based advice. *Fund schemes are managed conservatively, moderately aggressive & aggressively depending on the risk and return profile of that fund scheme. These funds schemes are advised to investors depending on the specific risk & return profile suited to and preferable to an investor.*
- ❖ Beta-wise segregation of schemes. *Beta is the measurement of the extent of risk in a security or investment avenue, etc.*
- ❖ Mutual Fund investments managed through Portfolios. *‘Portfolio’ of investments can be referred to as the basket of different types and category of investment avenues and asset classes.*
- ❖ Asset Allocation defined through Pie Chart (if the exposure is large-cap tilted, mid-cap tilted etc.)
- ❖ Portfolios defined if it is conservative, moderately aggressive or aggressive
- ❖ Continuous updating of performances of various schemes through research
- ❖ Arranging one-to-one conference calls/meeting with fund managers in specific cases (large investments)

BROKING ADVISORY:

- ❖ Daily and Weekly Technical Reports
- ❖ Daily stock calls for intraday trades (short-term)
- ❖ Fundamental research support for investment for long-term (sector as well as stock specific research reports)
- ❖ Segregation of stocks based on its market-capitalization
- ❖ NCFM certified dealers for advising on investments

- ❖ Continuous service and support at the branch level
- ❖ Daily trade confirmations
- ❖ Weekly investment performance up-dation
- ❖ Online trade confirmation through Electronic Contract Notes
- ❖ Regular ledger balance confirmation

COMMODITIES:

- ❖ Daily research support across commodities
- ❖ Daily momentum calls facilitating intraday trades
- ❖ Facilitating delivery of commodities
- ❖ Periodic review of performance of the transactions/trades
- ❖ Daily trade confirmation
- ❖ Online trade confirmation through Electronic Contract Notes

11. I already have a stock-broking account with XYZ (non-KARVY). What are the benefits for me to enroll into a KARVY I-Zone + Plan?

I-Zone + Plan provides you the benefit of a comprehensive online investment platform coupled with special benefits. Some of these are:

1. Option to use the online banking facility of any one or more of your bank account(s) with any of the designated banks, namely ICICI, IDBI, Axis, HDFC, Bank of Rajasthan for fund transfers to / from your KARVY I-Zone + Plan, through the secured online payment gateways with these banks.
2. Simultaneous usage of the IBROWSE, TRADEX and XTRADE depending on the place and internet access speed, etc. For example, you could choose to use IBROWSE while accessing your KARVY I-Zone + Account through high speed internet from anywhere; you could install the TRADEX (executable or software version) in your personal computer to enjoy some exclusive advantages of this software; and can also effectively use IBROWSE (light browser version) when accessing your KARVY I-Zone + Account through low speed internet connectivity.
3. Certain unique features of the equity trading platform, such as 'Market Watch' that provides the provision to customize the portfolio of stocks, future & options etc. that you wish to track and place order, with the same ease and effectiveness as available to the dealers in capital markets who are sitting on trading terminals of the stock exchanges!
4. Subscription to 'FinaPolis' one of the leading magazines in India on personal finance.
5. Research reports and advisory service on equity investments and trading, mutual funds, IPOs, currency derivatives and commodity trading.
6. Access to a facility which will evaluate the financial health based on your inputs to this facility.
7. Ancillary services such as calculation of tax applicable on the trades and investments.

12. I already have a KARVY I-Zone account. How can I migrate into the KARVY I-Zone + Plan ?

Yes. You can migrate from your existing I-Zone account to the KARVY I-Zone + Plan. For this purpose, you will need to register for the KARVY I-Zone + Plan and follow the guidelines stipulated for the migration. Please refer to the enrollment options available under Question No. 5.

13. Will I have to pay Rs 2000 each year?

Yes. The Rs. 2000 (as payable upfront or Rs. 2,400 p.a. payable on a monthly basis) I-Zone + charge is annual and as explained in Question 2 above, this brings to you an ANNUAL value of Rs. 1,250/- to Rs. 5000/- easily only through savings. The annual increase in your portfolio returns because of access to sound advice will be over and above this benefit.

14. Do I have to open a new bank account to facilitate stock-broking ?

No. You can use your existing bank account to facilitate stock trading and investments and DO NOT NEED TO OPEN A NEW BANK ACCOUNT specifically for this purpose. If your existing bank account is maintained with one of the designated banks (i.e. ICICI, IDBI, Axis, HDFC, Bank of Rajasthan as of now) and the internet banking facility for this account is enabled, then you can transfer funds online to your KARVY I-Zone + Plan account, through the secured online payment gateways with these banks.

Even if your bank account is maintained with a scheduled bank which is not included in the above list of designated bank accounts, you can effect fund transfers to KARVY by means of account payee cheques drawn in favour of "KARVY Stock Broking Limited" and payable at local branches of your bank where you operate your trading account.

15. Can I see my Transaction Statement on-line whenever I want to?

Yes. You can see the details of the transactions undertaken by you in the past at any point of time. This facility will, however, be subject to the limitations of data access imposed by the stock exchanges and commodity exchanges during / after markets hours.

16. Is conducting transactions on-line secure?

Making online transactions through your KARVY I-Zone + Plan are very safe and secure. Your KARVY I-Zone + Plan account enables investment and trading transactions in an environment of high level of IT security, to ensure that you execute your transactions online with complete peace of mind.

17. I am an existing I-Zone account holder. Can I continue to have just the bare minimum facility of online trading and demat account and continue paying the charges as currently applicable?

Yes, you have this facility. Please refer to the explanation provided in Question No. 8 above.

18. If I am opening a KARVY I-Zone + Plan account, will I have a point of contact at KARVY who can address my queries and help in resolving the difficulties I might face in the future?

Yes. A dedicated call centre support will always be available for your help, if in case you require any support with respect to your I-Zone + Plan. The toll free no. for this support is 1800 425 8283.

19. Is I-Zone + Plan also available to franchisees and remisiers?

No. Only the I-Zone Plan will be available to the franchisees and remisiers.