

## **MANDATORY AGREEMENT AS PRESCRIBED BY THE SEBI & STOCK EXCHANGE(S)**

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

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

### **CLIENT INFORMATION**

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

### **MARGINS**

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

House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

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

## **TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, 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.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued 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**

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

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

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

The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

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

## **DISPUTE RESOLUTION**

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

## **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
29. In the event of demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

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

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted,

non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.

39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

## **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.

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

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

**(All the clauses mentioned in the '*Rights and Obligations*' document(s) shall be applicable.  
Additionally, the clauses mentioned herein shall also 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 email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker'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.

## **RISK DISCLOSURE DOCUMENT (RDD) FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS**

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

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

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

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

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

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

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

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

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

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

#### **1.2 Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts

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

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

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

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

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

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

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

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

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

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

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

### **1.6 Risk of Rumors:**

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

### **1.7 System Risk:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2.2 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.

## VOLUNTARY DOCUMENTS

### AGREEMENT BETWEEN CLIENT & INDIABULLS SECURITIES LIMITED (NON-MANDATORY)

**THIS AGREEMENT** (hereinafter referred to as "This Agreement") is entered on this \_\_\_\_day of \_\_\_\_20\_\_\_\_between Indiabulls Securities Limited (IBSL), a company incorporated under the Companies Act, 1956 having its registered office at F-60, IInd Floor, Malhotra Building, Connaught Place, New Delhi-110001, being a Trading/Clearing Member of Capital Market Segment/Derivatives Segment/Currency Derivatives Segment of the National Stock Exchange of India Ltd. (NSE)/ Bombay Stock Exchange Ltd. (BSE), having Trading / Clearing Member Code No 08756 / 907 and registered as a Trading/Clearing Member with SEBI Registration No INB230875632(NSE CM) / INF230875632 (NSE F&O) / INE230875632 (NSE CDS) /INB010875632 (BSE CM)/ INF010875632 (BSE F&O) (hereinafter referred to as the Stock Broker which expression shall unless repugnant to the meaning or context thereof, be deemed to mean and include his/her heir(s), executor(s), administrator(s) and legal representative(s)/ the partner(s) for the time being of the said firm, the survivor or survivors of them and their respective heir(s), executor(s), administrator(s) and legal representative /its successor(s) and assigns) of the One part

AND

Mr./Ms. \_\_\_\_\_son/wife/daughter of \_\_\_\_\_ and residing at \_\_\_\_\_

\_\_\_\_\_/M/s \_\_\_\_\_ a Company incorporated under the Companies Act 1956/A partnership firm registered under the Indian Partnership Act, 1932 and having its Registered Office/Office at \_\_\_\_\_ hereinafter referred to as the Client or Constituent which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include (if the Client is an individual) his/her heirs executors, administrators, legal representative and permitted assigns, (if the Client is a partnership firm), the partners for the time being of the said firm, the survivors or survivors of them and their respective heirs, executors, administrators, legal representative (if the Client is a company or other body corporate its successors of the other part).

WHEREAS: -

- a) The Stock Broker is also registered as a Depository Participant with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).
- b) The Stock Broker has developed a Website under the name <http://www.indiabulls.com> (hereinafter referred to as the website). The website is owned, operated and maintained by the Stock Broker. The Client has agreed to avail the services rendered by the Stock Broker through the use of Website.
- c) The Stock Broker has offered to provide to the Client services as hereinafter specified to the Client and the Client desires to avail of the Stock Broker's services for, inter alia purchasing, selling or otherwise dealing in Securities. Whereas the Stock Broker has satisfied and will continuously satisfy himself about the genuineness and financial soundness of the Client and investment objectives relevant to the services to be provided;
- d) Types of services offered: The Stock Broker agrees to provide, and the Client agrees to avail of, the following services.
  - (a) Trading facilities. (b) Clearing facilities. (c) \_\_\_\_\_ [Such other services as so permitted by SEBI and the Exchange from time to time].

- e) The Client is desirous of investing/trading in those securities as may be admitted for dealing on the Exchange, as defined in the Bye-Laws of the Exchange. 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
  - f) The CLIENT is aware that authentication technologies and strict security measures are required for the internet trading / securities trading through wireless technology through order routing system and undertakes to ensure that the password of the CLIENT and/or his authorised representative are not revealed to any third party. The Client agrees to indemnify and keep the Stock Broker indemnified and harmless of any liability costs or damages arising out of claims or suits by or against such third parties based upon or relating to such access and use of password since the primary responsibility for such transaction shall be that of the Client. The use and storage of any information including without limitation, the password & portfolio information, transaction activity, account balances and other information or order on the Client's wireless technology device is at the Client's own risk and is the Client's sole responsibility. The Client agrees to fully indemnify and hold harmless the Stock Broker for any losses, expenses or other consequences arising from the execution of incorrect/ambiguous or fraudulent instruction that got entered through the wireless technology device at the Client's end.
- I. The parties hereto agree as under:

### **GENERAL TERMS AND CONDITIONS GOVERNING THE SERVICE**

- i. The Stock Broker hereby agrees to provide to the Client, Services in respect of buying, selling and otherwise dealing in securities which are admitted for dealings on the various segments of the Exchange and the Client hereby agree to avail such services provided by the Stock Broker.
- ii. Transaction Order System  
The Client shall transmit his/her/its orders to the Stock Broker through the Internet over the Stock Broker's website; or through telephone (as per the predefined procedure of forwarding the order through a phone broking executive or in such other manner as the Stock Broker may permit) or through instruction in writing or through oral instructions.
- iii. The Client hereby authorizes the Stock Broker to rely and act on, and treat as fully authorized by and binding upon the Client, any order, instruction or communication (by whatever means transmitted and whether or not in writing) which purports to have been given and which the Stock Broker reasonably believes in good faith to have been given by the Client or a person duly authorized to act on behalf of the Client. The client agrees that he/she/it shall be responsible to the Stock Broker for all commitments and obligations made or entered into in the Client's name whether in writing or orally and howsoever communicated or purported to be given as aforesaid.
- iv. The Client shall from time to time notify the Stock Broker in writing the names of the persons who are authorized to give instructions relating to this Agreement to the Stock Broker on behalf of the Client until the Stock Broker is notified in writing to the contrary. The Stock Broker shall be entitled to assume that any of those person has full and unrestricted powers to give such instructions on behalf of the Client (by whatever means transmitted and whether or not in writing) which purports to have emanated and which the Stock Broker believes to have emanated from the Client or from any such authorized person and, if the Stock Broker acts in good faith on such instructions, such instructions shall be binding on the Client without restriction and the Stock Broker shall not be liable for doing so, whether or not the instruction were given by the Client or such authorized persons or otherwise and the Stock Broker shall not be under any duty to verify the authenticity of such instructions or the identity of the person(s) giving them.
- v. Dematerialized securities  
All orders made by the Client shall only be in securities compulsorily traded in the dematerialized form. All deliveries of securities made by or to the client shall only be in the dematerialized form.

The Stock Broker shall notify the securities for which this facility is made available from time to time on the website. The Stock Broker shall have the right to add or delete securities for which the facility is made available in its absolute discretion and details of the same would be posted on the website and no separate intimation there of will be sent to the Client either physically or electronically.

vi. Declaration by the Client

The Client hereby declares that:

1. The Client has familiarized himself/herself/itself with the rules, regulations, Bye-laws and circulars issued by Stock Exchanges/SEBI before entering into and/or carrying out any transaction.
2. All information provided by him/her/it in the account opening form is factually correct and accurate.
3. The Client shall always keep his/her/its Correspondence Address, E-mail ID, mobile number and phone number details provided in the KYC updated in the records of the Stock Broker.
4. The Client understands the utility of maintaining a running account before signing the authorization for the same and that maintaining a running account with the Stock Broker is not compulsory.
5. The Client shall not believe in any promises made about "Assured Returns" by the Stock Broker's employees or Sub-Brokers.
6. The Client shall not rely on any implicit/explicit promise made by the issuer or any third party on returns.
7. Dealing in the securities market is based on client's on discretion and understanding of market. Client is suggested to guard against buying stocks of fundamentally unsound companies (penny stocks) based on sudden spurts in trading volumes or prices or non-authentic favorable looking articles/stories.
8. The Client shall not match/synchronize trades with any other person.
9. The Client shall not indulge in any trading activity which results in disturbance of market equilibrium in any manner including manipulation of price of any scrips.
10. The Client shall not be misled by so called "hot tips", if any.
11. The Client shall not undertake deals for others or trade in his/her/its own name and then issue cheques from family members/friend accounts.
12. The Client shall not pay cash or issue a cheque in the name of any employee of the Stock Broker or any other person in respect of the transactions.
13. The Client shall not undertake off-market transactions in securities.
14. The Client is aware of the risk associated with his/her/its Cash Market and Futures & Options positions in the market and margin calls on them and that in case of inadequate margin/non-payment of margin in his/her/its account, the positions will be squared-off by the Risk Management Team of the Stock Broker.
15. The Client shall always keep track of the margin requirement either by contacting his/her/its Branch or by logging into trading account/website.
16. The Client understands that it is his/her/its responsibility to maintain margins and that the Stock Broker shall be entitled to square off outstanding position in case of shortfall in margin and delay in payments.
17. The Client shall not respond to any E-mail from an address appearing to be sent by the Stock Broker or from any other E-mail ID, asking the Client for his/her/its personal information, account details or information on your User ID and Password of the Client's trading and/or depository account and that it is the Stock Broker's policy not to seek such information through E-mail.
18. The Client shall not use help from any employee of the Stock Broker or any other person while resetting his/her/its Password and that in case the Client has taken help from someone while resetting his/her/its password, then the Client shall immediately change his/her/its password again and ensure that the new password is only known to him/her/it.
19. The client agrees to abide by the exposure limits, if any, set by the Stock Broker or by the Exchange or Clearing Corporation or SEBI from time to time.
20. The instructions issued by an authorized representative, if any, of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
21. The client agrees that the payment towards obligation of M –To- M is required to be made before the start of next trading day or else the securities/positions shall be squared off by the Stock Broker.
22. The Stock Broker has brought the contents of the Rights and Obligations of Stock Broker, Sub Brokers and Clients/Risk Disclosure Document to the notice of the Client and made the Client aware of the significance

of the said document. The Client confirms that he/she/it has read, understood and appreciated the Rights and Obligations of Stock Broker, Sub Brokers and Clients /Risk Disclosure Document and understands the risks involved in the purchasing, selling and trading in securities (including entering into various Derivatives/Currency Derivatives contracts) on the Exchange, whether such risks are contained in the risk Disclosure Document or not. Client is made aware that the contents of Rights and Obligations, Risk Disclosure Document, Guidance note detailing the Do's and Don'ts and Policies & Procedures are made available on the stock broker's website for continuous reference.

23. The failure of the Client to understand the risk involved shall not render a contract as void or voidable and the Client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the Client chose to trade.
24. The Client is fully responsible for all his/her/its investment decisions and trades.
25. The client undertakes to be bound by the Risk Disclosure Document and all amendments thereto from time to time and the client undertakes to continuously remain aware of such amendments through the website or otherwise.
26. Acting as a Sub Broker:- The Client agree that he/she/it will not act as sub-broker without prior written permission of the Stock Broker and without obtaining certificate of registration from Securities and Exchange Board of India (SEBI).

vii. Material information on the website

The Client agrees that all investment and disinvestments decisions are based on the Client's own evaluation of financial circumstances and investment objectives. This extends to any decision made by the Client on the basis of any information that may be made available on the website of the Stock Broker. The Client will not hold nor seek to hold the Stock Broker or any of its officers, directors, employees, agents, subsidiaries, affiliates or business associates liable for any trading losses, cost of damage incurred by the Client consequent upon relying on investment information, research options or advice or any other material/information whatsoever on the web site whether inserted by the Stock Broker or any other agency. The Stock Broker does not represent and shall not be deemed to have represented that the investment information on the website is accurate or complete. The Client is aware that any information on the website based on the research of the Stock Broker or other external sources is subject to normal variations in the stock market and is merely an estimation of the viability or otherwise of certain investments, and the Stock Broker shall not be deemed to have assumed any responsibility for such information. The Client should seek independent professional advice regarding the suitability of any investment decisions. The Client also appreciates & acknowledges that the Stock Broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from the Stock Broker or any of its employees. In the event the client relies on the advice and/or any other information available on the website, he/she/it shall be solely responsible for the same.

viii. Restrictions on Access to Website and Trading

The Client understands that the Stock Broker may at any time, at its sole discretion and without prior notice to the client, prohibit or restrict the Client's access to the use of the website or related Services and the Client's ability to trade. Client will bear any loss that he/she/it may be faced with due to inability to execute further trades on account of such restriction

ix. Phone broking services

i. The Client is aware that the Stock Broker offers Phone broking services for placing the securities dealing orders through phone broking executives over predestinated telephone numbers. The client can place securities dealing orders through telephone by confirming his User ID allotted by the Stock Broker at the time of account opening and if required may divulge his personal details as informed by the client to the Stock Broker. The Client shall ensure proper safeguard of the User ID allotted to him and keep his personal details confidential. The Client shall immediately notify the Stock Broker in writing, delivered via E-mail and Registered AD, if the Client becomes aware of any loss, theft or unauthorized use to Client's account/User ID; or any failure by the Client to receive an

accurate written confirmation of any execution including the contract note for the same; or any receipt by the Client of confirmation of any order and/or execution which the Client did not place; or any inaccurate information in the Client's account balances, securities position, or transaction history. In the case where the Client notifies such loss, theft or unauthorized use of the Client's User ID to the Stock Broker, the Stock Broker shall suspend the use of the account of the Client. However the Client shall be responsible and liable for all transactions that are carried out by the use of the Client's user ID to the Stock Broker, the Stock Broker shall suspend the use of the account of the Client. However the Client shall be responsible and liable for all transaction(s) that is/are carried out while using the Client's User ID and personal details. When any of the above circumstances occur, neither the Stock Broker nor any of its officers, directors, employees, agents, affiliates or subsidiaries will have any responsibility or liability to the Client or to any other person whose claim may arise through the Client with respect to any of the circumstances described above.

- ii. In case of the phone broking, the Client shall ensure the availability of funds/securities in his/her/its account intimated to the Stock Broker, required for meeting his/her/its pay-in obligation, at the time of placing the order through phone broking executive. The Stock Broker shall not be responsible for any claims, losses, and damages arising out of non availability/shortage of funds/securities in the Client's account for meeting the pay-in obligation. The Client also understands that the value of the securities may fluctuate due to volatile market condition creating shortfall of margin thus he/she/it shall always keep a track of his/her/its account and keep the account sufficiently funded at all times.
  - iii. The Client understands that placing an order with the Stock Broker, including a market order does not guarantee execution of the order. The Stock Broker has the absolute right to reject any order that may be made by the Client if the same prima facie appears to be suspicious in nature and/or involves the breach of the requirement of maintaining the prescribed Margin in the Client account or the bank account.
  - iv. The Client is required to ascertain the status of his/her/its order (including any rejection of the same) which would be posted only on the relevant sections of the website. Further the exchange may cancel the trades without giving any reason thereof. The Stock Broker shall be entitled to cancel related contract(s) with the Client. The Stock Broker shall not be liable for any losses, damages or claims on account of such rejection or cancellation of any trade for any reason whatsoever. Further the Stock Broker may at its sole discretion, subject to any order placed by the Client to manual review and entry which may cause delays in the execution of the Client's orders. In case of phone broking the Client is required to obtain the confirmation/status of the order executed for the day by calling the phone broking executive with whom he/she/it has placed the order.
  - v. The Stock Broker agrees to inform the client and keep him/her/it 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 Exchange within stipulated time.
- x. Execution of Orders: Confirmation
- a) Where the Exchanges cancel trades suo moto, all such trades, including the trades done on behalf of the Client shall ipso facto stand cancelled.
  - b) The Stock Broker agrees that it shall co-operate in redressing grievance of the client in respect of transactions routed through it and in removing objections for bad delivery of shares. Rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.
  - c) The Stock Broker shall continue to be responsible for replacing bad delivering of the client in accordance with applicable 'Good & bad delivery norms' even after termination of the trading service and shall be entitled to recover any loss incurred by him in such connection from the client.
- II. Conditions governing trading terms and transactions in securities
- i. The Stock Broker concerned or their respective registrar shall entertain online transaction request and/or request made through telephone in the manner provided under this agreement.
  - ii. For change of address or any personal details of the Client, the Client shall send a letter or fax to the Stock Broker duly signed by himself/authorized signatories.

- iii. The client is requested to check up the personal and bank related details provided by him/her. Neither the Stock Broker nor any of the employees shall accept any liability which may arise as a consequence of erroneous information provided by the client.
- iv. All the personal details provided by the client shall be deemed to be true and correct and in case of any dispute same shall be relied upon. The client undertakes not to dispute and keep the Stock Broker indemnified in the event, if any, if the information is found to be incorrect or false.
- v. The client can view the transaction details on the website of the Stock Broker.
- vi. The Stock Broker does not accept any liability for delay in processing time at the Registrar end.
- vii. It is explicitly stated herein that the Offer Documents/other schemes offered by the Stock Broker have not been recommended by the Stock Broker.
- viii. Neither the Stock Broker nor any of its employees/representatives shall be liable for any failure to perform its obligations, to the extent that such performance has been delayed, hindered or prevented by systems failure, network errors, delay or loss of data due to the above and in circumstances of acts of God, floods, epidemics, quarantine, riot or civil commotion and war. Further the Client agrees that he/she/it will not be compensated by the Stock Broker for any "lost opportunity" viz. notional profits due to whatsoever reasons, including but not limited to the reasons mentioned in the MCA.
- ix. The Stock Broker shall provide its services on a best effort basis. However the Stock Broker shall not be liable for failure of the system or for any loss, damage or other costs arising in any way out of:
  - i. System failure including failure of ancillary or associated systems, or fluctuation of power, or other environmental condition; or
  - ii. Accident transportation, neglect, misuses, errors, frauds of the Client or agents or any third party; or
  - iii. Any incident, special or consequential damages including without limitation of loss of Profit. The Client further agrees to indemnify the Stock Broker for any loss that may arise as a result of system failure accident or any of the reasons mentioned above.

III. TERMS AND CONDITIONS GOVERNING TRANSACTIONS IN DERIVATIVES / CURRENCY DERIVATIVES -  
 The Client shall be bound by the constitution, Bye-Laws, rules, regulations, and the customs of the Exchange. The failure of a Client to understand the risk involved or the failure of a Stock Broker to explain the risk to the Client shall not render a contract as void or voidable and the Client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in Derivatives/Currency Derivatives. The Client shall not, acting alone or in concert with other directly or indirectly, hold the Future Contracts exceeding the fixed number permitted by the Stock Exchanges from time to time. The Client shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly the Client will have exercised in excess of the number of permitted Futures and/or Options contracts as may be fixed from time to time by the Exchange. The Clients hereby authorize the Stock Broker at its discretion and if the Stock Broker deems fit for its protection to buy, sell, or close out any part or the entire Derivatives/Currency Derivatives contracts held in the Client's accounts with the Stock Broker. Any or all such incidental expenses incurred by the Stock Broker shall be reimbursed by the Client.

A. Margin

- i. The client is liable to pay an initial margin up-front on or before creating a position in any Derivatives and/or Currency Derivatives contract. Such margin shall be decided upon by the Stock Broker or the Exchanges from time to time. The Client may also be liable to pay withholding margin, special margins or such other margins as are considered necessary by the Stock Broker or as may be directed by SEBI from time to time. The Stock Broker is permitted in its sole and absolute discretion to collect additional margin (even though not required by the Exchange / Clearing Corporation / SEBI) and the Client shall be obliged to pay such margin within stipulated time.
- ii. The Client shall pay the prescribed initial margin in the form of cash and/or in the form of securities (the Margin) with the Stock Broker simultaneously with the opening of the account. Margin shall be

decided at the sole discretion of the Stock Broker. The Margin will not be interest bearing. The Stock Broker shall have at its sole discretion, the irrevocable right to set off a part or whole of the Margin i.e. by the way of appropriating of the relevant amount of cash or by sale or transfer of all or some of the Securities which form part of the Margin, against any dues of the Client in the event of the failure of the Client to meet any of their respective obligations under these Terms.

- iii. The Client agrees and authorizes the Stock Broker to determine the market value of securities placed as margin after applying a haircut that the Stock Broker may deem appropriate. The client undertakes to monitor the market value of such securities on a continuous basis. The client further undertakes to replenish any shortfall in the value of the margin consequent to a fall in the market value of such securities placed as margin immediately whether or not the Stock Broker intimates such shortfall. The Client also agrees and is made aware that in case intraday loss is such that margin position goes down, Stock Broker can sell any or all securities/positions lying in his/her/its account without giving notice to the Client as it/he/she is also required to keep track of its/his/her margin position. Stock Broker is entitled to square off/sell the position or shares at any time during the day or thereafter in the account & Client undertakes not to raise any dispute & shall not hold Stock Broker responsible for any loss arising thereof.
- iv. The Client agrees to abide by the exposure limits, if any, set by the Stock Broker or by the Exchange or Clearing Corporation or SEBI from time to time.
- v. The Stock Broker may at its sole discretion prescribe the payment of Margin in the form of cash instead of or in addition to margin in form of securities. The Client accepts to comply with the Stock Broker's requirement of payment of Margin in the form of cash immediately. Without prejudice to the Stock Broker's other rights (including the right to refer a matter of arbitration), the Stock Broker shall be entitled to liquidate/close-out all or any of the client's positions for non-payment of margins or other amount, 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.
- vi. The Client agrees that any securities/cash placed by him/her/it as margin money may in turn be placed as margin by the Stock Broker with the Exchange or banks or such other institution as the Stock Broker may deem fit. The Client authorizes the Stock Broker to do all such acts, deeds and things as may be necessary and expedient for placing such securities/cash with the Exchanges/Banks/Institutions as margin.
- vii. Any reference in these terms to sell or transfer of Securities by the Stock Broker shall be deemed to include sale of the Securities, which form part of the Margin, maintained by the Client with the Stock Broker. In exercise of the Stock Broker's right to sell securities under the Agreement, the Client agrees that the choice of specific securities to be sold shall be solely at the Stock Broker's discretion.
- viii. Without prejudice to the Stock Broker's other rights (including the right to refer a matter for arbitration), the Stock Broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amount, outstanding debts, etc. and adjust the proceeds of such liquidation close out, if any, against the client's liabilities/obligations. In exercise of the Stock Broker's right to sell securities under the Agreement, the Client agrees that the choice of specific securities to be sold shall be solely at the Stock Broker's discretion. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the client.
- ix. The Stock Broker agrees that the money / securities deposited by the client shall be kept in a separate account, distinct from his / its own account or account of any other client and shall not be used by the Stock Broker for himself / itself or for any other clients or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars / guidelines / Exchanges, Rules / Regulations / Bye-Laws and circulars.
- x. The Client agrees and empowers / authorizes the Stock Broker to act at its discretion of merging balances kept under various accounts held with the Stock Broker such as, CM Trading Account, F&O Trading Account, Derivatives/Currency Derivatives Trading Accounts, margin trading account etc.,

to nullify the debit in any other account of the Client held with the Stock Broker without taking any further instructions from the Client.

B. Dealings

- i. The Client is responsible for all orders, including any orders that may be executed without the required Margin (as stipulated by the Stock Broker from time to time) in the Client's account. If the Client's order is executed despite a shortfall in the available margin, the Client shall whether or not the Stock Broker intimates such shortfall in the available margin, instantaneously pay additional Margin.
- ii. The Client's positions are valued at the latest market price available (mark to market) on a continuous basis by the Stock Broker. If on such mark to market, the loss incurred by the Client is more than the margin available with the Stock Broker, the Client shall instantaneously pay additional Margin without any intimation by the Stock Broker.
- iii. If payment / securities towards the margin or the shortfall in margin is not received instantaneously to enable restoration of sufficient Margin in the client's account, all or some of the positions of the Client may be squared off or the Securities placed as Margin by the Client may be sold off by the Stock Broker at its sole discretion, without any further reference to the Client and without prior notification, any resultant or associated losses that may occur due to such squaring off or sale or securities shall be borne by the Client, and the Stock Broker is hereby fully indemnified and harmless by the client in this regard.
- iv. Prior to placing an order in connection with the sale / purchase or transfer of any securities in which Client requires any form of regulatory or other permission , the Client shall obtain such permission before placing of the order and shall furnish necessary documents to the Stock Broker prior to the execution of the order. The Client acknowledges and accepts that delays may occur in relation to the processing of such order despite the necessary documents being furnished in a timely manner. The Stock Broker may at its sole discretion refuse to execute any such order till it is satisfied of the legality of the transaction. The Client is responsible for all costs associated with compliance or failure to comply with all the regulatory requirements and hereby agrees to fully indemnify the Stock Broker from and any costs, losses, claims or other liability arising on account of such orders.

C. Execution of orders: Confirmation

- i. The Client understands that placing an order with the Stock Broker including a market order does not guarantee execution of the order. The Stock Broker has the absolute right to reject any order that may be made by the Client if the same is prima facie suspicious in nature and involves the breach of the requirement of maintaining the prescribed margin in the Client account or the bank account.
- ii. The Client is required to ascertain the status of his/her/its order (including any rejection of the same) which would be posted only on the relevant sections of the website, and no separate confirmation of the execution / rejection of the order would be sent to the Client either physically or electronically. Further, the Exchange may cancel the trade suo moto without giving any reason thereof. The Stock Broker shall not be liable for any losses, damages or claims on account of such rejection or cancellation of any trade for any reason whatsoever. Further, the Stock Broker may at its sole discretion, subject any order made by the Client to manual review and entry which may causes delay in the execution of the Client's order.
- iii. The Client is required to ascertain all ledger balances of Securities in his/her/its accounts which would be posted only on the relevant section of the website.
- iv. In the event of the sale of any Securities by the Stock Broker at the request of the Client and the inability of the Stock Broker to deliver to the purchaser the securities so sold by reason of the failure of the Client to supply the same, the Stock Broker therewith then, and in such event, but subject to the provisions of applicable laws, rules and regulations, the Client authorizes the Stock Broker to borrow, purchase or otherwise acquire any Securities necessary to make delivery thereof. Further, the Client accepts liability for any premiums which the Stock Broker may be required to pay, and for any losses, costs, charges, expenses or other liabilities whatsoever which the Stock Broker may sustain or incur by reason of the Stock Broker's inability to deliver the Securities in question.

- v. Neither the Stock Broker nor any of its related companies shall be liable for any loss sustained by the Client, directly or indirectly, if it is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant exchange, clearing house or other market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond its control.
- vi. The Client confirms that the Client is aware that short selling is not allowed in the Stock Exchanges and the Client undertakes not to short sell in the Stock Exchanges. The Client confirms that every sell order the Client asks the Stock Broker to execute on the Stock Exchanges will be a "long" sale.

D. Price of Securities

The Client understands that with respect to any order, the Client will obtain the price at which the order was actually executed in the Market, which may be different from the price at which the Security was trading when the Client's order was entered into the Stock Broker's System. By reason of physical restraints on the Stock Exchange and rapid changes in the prices of Securities that frequently takes place, there may, on occasions, be a delay in making prices or in dealing. The Stock Broker may not be able to trade at the prices quoted at any specific time or "at best" or "at market" and the Client agrees to be bound by all transactions executed by the Stock Broker in connection with any order. The Stock Broker is not liable for any loss arising by reason of its failing, or being unable to comply with the terms of an order or on behalf of the Client. Where the Stock Broker is unable to perform any order in full, it is entitled to effect partial performance, even without prior reference to or confirmation of the Client.

E. Mistaken orders

The Stock Broker shall not be responsible for any order, that is made by the Client by mistake and every order that is entered by the Client through the use of the allotted user name and the security code (s) shall be deemed to be a valid order for which the Client shall be fully responsible.

F. Reconfirmation of Certain Orders

The Client hereby confirms that he/she/it is aware that the Stock Broker has provided on the website a facility for reconfirmation of order which are unusual and/or large and need to be executed using the Stock Broker's discretion. These orders are subject to manual review and consequently execution of these orders may be delayed. The Stock Broker reserves the right to reject any order based on risk perception.

G. Cancellation or Modification of Orders

- i. The execution or order cancellation or modification of/in an order is not guaranteed. Cancellation of orders is possible only if the original order remains pending at the Exchange. Market orders are subject to immediate execution. The Client shall not presume that an order has been executed or cancelled or modified and the Client is required to verify the status of his/her/its orders on the website in accordance with Clause above.
- ii. Unless otherwise specified by the Stock Broker any order not executed at the end of the day shall stand cancelled.

H. Brokerage & other charges

- i. The Client agrees to pay to the Stock Broker the brokerage charges, Exchange related charges, Statutory levies, for F&O position, Bank Charges for Realization of Cheque/return of Cheque and any other charges whatsoever (including but not limited to security handling charges on settlement) as are prevailing from time to time and as they apply to the Client's account in respect of transactions and services that the Client receives from the Stock Broker. The Stock Broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per Rules, Regulations and Bye-Laws of the Exchanges/SEBI. The brokerage shall be paid in the manner intimated by the Stock Broker to the Client from time to time, including as a percentage of the value or the trade or as a flat fee or otherwise, together with the service taxes as may be applicable from time to time on the same. The Client further agrees to pay any applicable taxes that may be levied on the transaction.
- ii. The Stock Broker shall debit the charges of the depository participant for the trades and the bank charges for the realization of Cheques /return of cheques, if any to the Client's Account.

- I. Unless otherwise agreed, the Client agrees that when the Stock Broker has executed a purchase or sale transaction on behalf of the Client, the Client will, by such time and at such place as may be necessary for the Stock Broker to make delivery or payment as required by the Stock Exchange ("due settlement date"), make payment to the Stock Broker against delivery of (or credit to the Client's account for) purchased

Securities, or make good delivery of sold Securities to the Stock Broker against payment, within stipulated time as the case may be.

- J. If the Client fails to make such payment or delivery of Securities by the due settlement date the Stock Broker is, without prejudice to any other rights it may have pursuant to this Agreement, hereby authorized to in the case of a purchase transaction, to transfer or sell any such purchased Securities to satisfy the Client's obligations to the Stock Broker; or in the case of a sale transaction, to borrow and/or purchase such sold Securities to satisfy the Client's obligations to the Stock Broker.
- K. The Client hereby acknowledges that he/she/it will be responsible to the Stock Broker for any loss, costs, fees and expenses (including legal expenses on a full indemnity basis) in connection with the Client's failure to meet its obligation by the due settlement date as described in Clause I.
- L. The Stock Broker may in its absolute discretion determine the priority in the execution of its clients orders, having due regard to the sequence in which such orders were received and fairness to all clients involved, and the Client shall not have any claim of property to another client in relation to the execution of any order received by the Stock Broker.
- M. The Stock Broker and the client agree to reconcile their accounts at the end of each quarter/month , as per client authorisation, with reference to all the settlements where payouts have been declared during the quarter/month.
- N. **Delayed Payment Charges**  
Notwithstanding anything contained in these Terms, any amounts which are overdue from the Client to the Stock Broker will be charged delayed payment charges at the rate of 2% per month or such other rate as may be determined by the Stock Broker and notified on the website and the Client hereby authorize the Stock Broker to directly debit the same to the account of the Client at the end of each month.  
Further notwithstanding anything contained in terms and conditions, any amounts which are overdue from the Client to the Stock Broker towards future & option positions taken by the Client, F&O position charges shall be levied at the rate as may be determined by the Stock Broker from time to time. The Client hereby authorizes the Stock Broker to directly debit the same to the account of the Client.
- O. **Delayed reporting of transactions**  
i. If trades or transactions are reported late to the Stock Broker on account of any problems at the Exchange or, for whatever reason, the Client in turn will be subject to late reporting of transaction  
ii. In addition, any error reported to the Client for any reason whatsoever will stand subsequently corrected to reflect the transaction that was effected in the Market.
- P. **Payout**  
The Client agrees that the Stock Broker shall not be obliged to deliver any Securities or pay any Securities or pay any money to the Client unless and until the same has been received by the Stock Broker from the Exchange, the Clearing Corporation / House. Unless the Stock Broker otherwise determines, and subject to the Stock Broker's right of set off and other rights, the Securities to be delivered by the Stock Broker to the Client pursuant to the Client's purchase transaction shall be credited to the designated depository account of the Client and the sale proceeds at the request of the Client for funds, shall be deposited into the designated bank account of the Client by the Stock Broker.
- Q. **Arrangements with relationship bank**  
The Stock Broker has relationship with one or more banks ("the relationship Bank"). The website of the Stock Broker has a payment window through a link to the website of the relation bank, which provides this facility. In such a case, the Client would make the payment for Securities purchased by him/her/it by crediting the purchase amount (along with the indicated brokerage amount) directly to the account of the Stock Broker with the relationship bank by means of a fund transfer on the pay-in date of the relevant Exchange or by means of a fund transfer on the pay-in date of the relevant Exchange on which the sale transaction is carried out. The Stock Broker expressly states that the payment gateway mechanism is a service offered by the Bank with whom the Stock Broker has established relation for facilitating the transfer of funds between the Client's account and the Stock Broker's account. The Stock Broker expressly excludes liability for consequential loss or damage or loss of profit, business, revenue, goodwill or anticipated saving which may arise in respect of:  
i. the payment gateway service offered by such bank.  
ii. the payment mechanism.
- R. **Voice recordings**

- i. The Client hereby acknowledges and agrees to the use of voice recording devices by the Stock Broker of any telephone conversation between the Stock Broker and the Client and any of the Client's authorized persons, employees, officers or agents, without an automatic tone warning device in order to permit the Stock Broker to verify data concerning any matters relating to the purchase and/or sale of Securities
- ii. The Client confirms that the Stock Broker may tape record conversations with the Client in order to permit the Stock Broker to verify information concerning any matter. The Client agrees to accept the contents of any such recording as final and conclusive evidence of communications from the Client given by the Client or on behalf of the Client in case of dispute.
- iii. The Stock Broker endeavors to record all the conversation between the Stock Broker and the client, however the client understands that certain transactions may not be captured/recorded due to technical defects, certain unforeseen events and non-availability of the said facility in the concerned branch therefore non-availability of any one or all of the voice recording do not render the transactions invalid & same shall be binding on the client.

S. Conclusiveness of records

The Stock Broker's own records of the trade/transaction maintained through computer system or otherwise shall be accepted as conclusive and binding on the Client for all purposes.

T. Set off across the Exchange

In case where the Client maintains account to which these facilities may be extended by the Stock Broker to the Client on any segment of the Exchange, the Client agrees that the Stock Broker may set off credit balances of securities and/or funds in account of the Client in relation to the said exchange and its segments against the debit balance of securities and/or funds in account of the Client in relation to the other exchange and segments of the exchanges.

IV. Freezing of accounts

The Client shall be entitled to exercise the right to close/freeze/pledge the accounts with the depository participant and/or the bank, as the case may be, only if there is no obligation pending to be met by the Client to the Stock Broker in the form of cash and/or security.

V. Stock Broker Client Communication

A. Form of communication

Documents which are sent by electronic delivery to the parties may be in the form of an electronic mail (including any auto replies from the system of the Stock Broker) an electronic mail attachment or in the form of an available download from the website. The Stock Broker shall be deemed to have fulfilled any legal obligation to deliver to the Client any such document if sent via electronic delivery provided however that the notice of termination and physical contract notes specified in the terms here in, shall be in writing

B. Electronic communication of documents

The Stock Broker shall send to the Client by electronic means the trade confirmation of the trades executed, bill and account statement. The Client agrees that the Stock Broker fulfills its legal obligation to deliver to the Client any such document if sent via electronic delivery. The Client understands that it is his/her/its responsibility to review, upon first receipt, whether delivered to Client by mail, E-mail (including any auto replies from the system of the Stock Broker) or other electronic means, all confirmation statements, notices, bill and other communication or the contract notes via the physical mode. All information contained therein shall be binding upon the Client. On the receipt of any such document, save for the statement of account, if Client does not object either in writing within 48 hours or as per the time limit as specified on such document, which is sent to the Client, the same shall be deemed to have been correct and the same would be binding on the Client. And the e-mail address provided by the client in the KYC and any subsequent updation shall be final and binding on the client. The Client also agrees that the Stock Broker shall not take cognizance of out of-office/out-of-station auto replies and the Client is deemed to have received such electronic mails.

The Stock Broker shall send Ledgers, STT Statement and all other statements only on Clients registered E-mail ID.

C. Change of Address/Contact Details

Unless the Client informs the Stock Broker of the change of the address for communication and/or contact details viz. mobile number/landline number in writing all notice, circulars, communication or mail sent to the existing address and/or contact number(s) shall be deemed to have been received by the Client.

D. Stock Broker's liability

Under no circumstance shall the Stock Broker or anyone involved in creating, producing, delivering or managing the Stock Broker's services be liable for any direct, incidental, special or consequential damages that result from the use of or inability to use the service, delay in transaction of any communication, in each case for any reason whatsoever (including on account breakdown in systems) or out of any breach of any warranty.

E. Default

Whenever the Stock Broker deems it necessary for its protection in its sole and absolute discretion; or if, in the Stock Broker's opinion, the Client has breached any material term of this Agreement or defaulted in respect of any transaction with the Stock Broker or any related companies to which it is a party; or if any representation, warranty or undertaking made in this Agreement or in any document delivered to the Stock Broker pursuant to or in connection with this agreement, when given or hereafter becomes incorrect in any material respect; or for compliance with any rules or regulations of any relevant exchange or clearing house; or in the event that a petition in bankruptcy is filed against the Client or an order is made or resolution passed for the Client's voluntary or compulsory winding up or a meeting is convened for the purpose of considering a resolution that the Client should be so wound up; or in the event that a judicial declaration of incompetence is made in respect of the Client or the Client dies; or any warrant or order of attachment or distress or equivalent order is issued against any of the Client's accounts with the Stock Broker or any related companies then all amount owing by the Client to the Stock Broker shall become forthwith payable on demand, and interest will accrue at the rate specified herein. On the amounts outstanding from time to time, and the Stock Broker shall be entitled at its absolute discretion, without further notice or demand, forthwith to: satisfy any obligation the client may have to the Stock Broker (either directly or by way of guarantee or other security) out of the sale or other realization, in such manner and upon such terms as the Stock Broker in respect of any loss, involuntary or otherwise, directly arising from the exercise by the Stock Broker of the powers conferred by this clause, howsoever such loss may have been caused (other than through the willful misfeasance or negligence of the Stock Broker or the reckless disregard of the obligations of the Stock Broker under this clause), whether in relation to the timing or manner of the exercise of such powers or otherwise.

The Stock Broker and/or any related companies may purchase the Securities or other assets which are subject of any sale made pursuant to this clause free from any right of redemption and neither the Stock Broker nor any related companies shall be accountable to the Client for any profits, charges or commissions received by any of them or their nominees or agents as a result of the exercise by the Stock Broker of powers conferred pursuant to this clause.

In the event of a default of a Trading/Clearing Stock Broker on his own account, the Client's money will not be utilised to meet the Stock Broker's liabilities. In such cases, the Client's positions shall be either transferred to another solvent Stock Broker or closed-out as per the provisions of the Rules, Bye-Laws and Regulations of the Derivatives Segment/Currency Derivatives Segment or the Clearing House. The loss, if any, caused to the Client because of such action would be recoverable by the Client from the Stock Broker. In the event of failure of the Client to fulfill his obligations to the Stock Broker, the Derivatives Segment/Currency Derivatives Segment or the Clearing House, the Client's position may be closed-out and the money, if any, of the Client available with the Stock Broker or with any other Stock Broker, the Derivatives Segment/Currency Derivatives Segment or the Clearing House may be adjusted against the Client's liabilities/obligations.

F. Notice/Policies

Certain policies and/or procedures may be further outlined on the Stock Broker's website and material/literature and frequently asked question (FAQ's) provided to the Client. Through the use of

the Stock Broker's website and services the Client agrees to be bound by any and such notices, policies and terms of doing business.

G. Security Code(s), Security Precaution and Infrastructure

i. Use of Client ID Password

The Client confirms and agrees that it will be the sole authorized user of the User name, Password, Client User Identification Number, Telephone Personal Identification Number (T-Pin) or other identification or security code by whatever name called, to be given to it by the Stock Broker to access Stock Broker's system or service through Stock Broker's website, over the telephone or in such manner as may be permitted by the Stock Broker for availing of the service. The Client accepts sole responsibility for use, confidentiality and protection of the User name Password, Client User Identification Number, T-Pin or other security code(s) as issued by the Stock Broker to the Client from time to time (hereinafter referred to as "security codes" as for all orders and information changes entered into the Client's account using such security codes.

The Client shall ensure that such security code(s) is/are not revealed to any third party. If the Client forgets the security code(s) a request change of such security code(s) should be sent to the Stock Broker in writing. On receipt of such request the Stock Broker shall discontinue the use of the old Security code(s) and shall generate new security code(s) for the Client which shall be communicated to the Client. However, the Client shall be responsible and liable for all transactions that are carried out by the use of the only Security code(s). Neither the Stock Broker nor any of its officers, directors, employees, agents, affiliates or subsidiaries will have any responsibility or liability to the Client or to any person whose claim may arise with respect to any of the circumstances described above.

ii. Recording of Password

The Client shall memorize the security code(s) and not record it in written or electronic form. In event that the Client does record the security code(s) in written or electronic form he/she/it shall do so at his/her/its sole risk and responsibility.

iii. Responsibility for use of Security Code(s)

Any order entered using the Client's code(s) either through the website or through telephone or otherwise shall be deemed to be that of the Client. If third parties gain access to the Stock Broker's service through the use of the Client's security code(s) the Client will be responsible for the same. The Client shall indemnify and keep the Stock Broker indemnified and harmless of any liability costs or damages arising out of claims or suits by or against such third parties based upon or relating to such access and use of security code since the primary responsibility for such transaction shall be that of the Client. The use and storage of any information including without limitation, the password & portfolio information, transaction activity, account balances and other information or order on the Client's personal computer is at the Client's own risk and is the Client's sole responsibility.

iv. Protection of Security Code(s)

The Client shall immediately notify the Stock Broker in writing, (delivered via-E-mail and/or Registered AD) if the Client becomes aware of any loss, theft or unauthorized use of the Client's Security Code(s) and account number or any failure by the Client to receive the confirmation of an execution including the contract note for the same, or any receipt by the Client of confirmation of an execution including the contract note for the same or any receipt by the Client of confirmation of an order and/or execution which the Client did not place; or any inaccurate information in the Client's account balances, securities position, or transaction history. In the case where the Client notifies such loss, theft or unauthorized use of the Client's Security code(s) password and account number to the Stock Broker, it shall suspend the use of the account of the Client, however the Client shall be responsible and liable for all transaction that are carried out by using the Client's password. When any of the above circumstances occur, neither the Stock Broker nor any of its officers, directors,

employees, agents or subsidiaries will have any responsibility or liability to the Client or to any other person whose claim may arise through the Client with respect to any circumstances described above.

v. Communication equipment of client

The Client is responsible for installing and maintaining the communication equipment (including personal computers and modems) and telephone or alternative service required for accessing and using the website or related service. All communication costs, service changes, levies and fees incurred by the Client in accessing the website or related services will be borne by the Client.

vi. Client's infrastructure

For the purpose of these Terms, it is presumed that the Client has all the necessary and compatible infrastructure ready at its end for the purpose of accessing the website of the Stock Broker or contacting the phone broking executive of the Stock Broker prior to accessing the service provided pursuant to these terms. The Stock Broker will not (and shall not be under any obligation to) assist the Client in installing the required infrastructure or obtaining the necessary equipment permits and clearance to establish connectivity or linkages to the website of the Stock Broker.

vii. Prevention of unauthorized use

The Client will install the necessary safeguards and access restrictions to prevent unauthorized use of Client computer systems or security code and ensure that no unauthorized person can gain access to the computer systems or such security codes.

viii. Liability for incorrect instructions

The Client agrees to fully indemnify and hold harmless the Stock Broker for any losses, expenses or other consequences arising from the execution of incorrect/ambiguous or fraudulent instruction that got entered through the system at the Client's end.

ix. Secure electronic records and digital signature

In the event that the certifying authority and other infrastructure contemplated under the Information Technology Act, 2000 for ensuring secure electronic records and secure digital signatures is notified by the concerned authorities and the infrastructure to enable the same is in place the Stock Broker would have the right to require the Client to authorize the various transaction on the website by means of such secure electronic records and secure digital signatures and discontinue the usage of the Client password.

H. Miscellaneous provisions governing the terms

i. Use of web content

The Client agrees that participating Exchange or association or agency asserts a proprietary interest in all of the market data it furnishes to parties that disseminate the said data. The Client shall use real-time quotes received on the website of the Stock Broker only for the Client individual use and shall not furnish such data to any other person or entity. The Client is authorized to use materials which are made available by the Stock Broker's website for the Client's own needs only, and the client is not authorized to resell access to any such materials or to make copies of any such materials for sale or use to and by others. The Client shall not delete copyright or other intellectual property rights notices from printouts of electronically accessed materials from the Stock Broker's website.

ii. Limitation of liability

a) The Stock Broker does not guarantee and shall not be deemed to have guaranteed, the timeliness, sequence, accuracy, completeness, reliability or content of market information, or message disseminated to the Client. The Stock Broker shall not be liable for any inaccuracy, error or delay in, or omission of, (1) any such data information or message, or (2) the transmission or delivery of any such data, information or message; or any loss or damage arising from or occasioned by;

i) non-performance, or,

ii) interruption in any such data information or message, due to either any act or omission by the Stock Broker or to any 'force majeure' event (e.g. flood, extraordinary weather condition, earthquake or other act of God fire, war,

insurrection riot labor dispute, accident, action of movement communications, Power failure, shut down of systems for any reason {including on account of computer viruses}, equipment of software malfunction) or any other cause beyond the reasonable control of the Stock Broker.

- b) The Stock Broker shall not be liable for any such inaccuracy, error, statement, or representations committed by any person or other associated third parties engaged by the Stock Broker to promote the services offered by it. The Client agrees that he/she/it places no reliance on such persons and will exercise due care and diligence in relying on any statements made by such persons.
- iii. Interruption in service
- The Stock Broker does not warrant that the service will be uninterrupted or error free. The service is provided in an "as in" and "as available" basis without warranties of any kind, either express or implied, including, without limitation those of merchantability and fitness for a particular purpose. The client agrees that the Stock Broker shall not be held responsible for delays in transmission of orders due to breakdown of the system or failure of communication facilities either due to the fault of the systems of the Stock Broker or of the Exchanges or otherwise or for any other delay beyond the reasonable control of the Stock Broker.
- iv. Warranties of client
- The Client hereby represents and warrants that the terms and conditions of these agreements have been clearly understood and that the information furnished to the Stock Broker is accurate and truthful. The Client confirms that he/she is of legal age and he/she/it has obtained the necessary approvals from the relevant regulatory/legal and compliance authorities to access the services provided pursuant to these terms.
- v. Indemnity
- a) Though orders are generally routed to the market/place immediately after the time the order is placed by the Client on the system there may be a delay in execution of the order due to any link/system failure at the Client/Stock Broker Exchange's end. The Client hereby specifically indemnifies and holds the Stock Broker harmless from any and all claims, and agrees that the Stock Broker shall not be liable for any loss, actual or perceived caused directly or indirectly by government restrictions, exchange or market regulation suspension of trading, war, strike, equipment failure, communication line failure, system failure, security failure on the internet, shut down of systems for any reason (including on account of computer viruses), unauthorized access, theft, or any problem, technological or otherwise that might prevent the Client from contacting the phone broking services of the Stock Broker or entering the Stock Brokers system or from executing an order or in respect of other conditions.
  - b) The Client further agrees that he/she/it will not be compensated by the Stock Broker for any "lost opportunity" viz. notional profits on buy/sell orders which could not be executed due to any reason whatsoever, including but not limited due to time lag in the execution of the order or the speed at which the system of the Stock Broker or of the Exchanges is operating, any shutting down by the Stock Broker of his/her/its system for any reason of the Stock Broker disabling the Client from trading on its system for any reason whatsoever.
  - c) The Client hereby indemnifies and agrees to keep indemnified the Stock Broker and its employees, agents or representatives from and against all sums of moneys, actions, proceedings, suits, claims, demands damages, costs, expenses and any other amounts whatsoever arising out of any default, whether by act or omission, of the Client under the Agreement or anything lawfully done by the Stock Broker in accordance with the Agreement or by reason of the Stock Broker complying with any direction, request or requirement of the Stock Exchange or other regulatory authority.

- d) The Client also agrees that the Stock Broker shall not be liable to the Client for any losses, costs, expenses, or other damages sustained by the Client in the event of any failure or delay by any exchange market, clearing house, bank or other depository institution where any of the Client's funds or other assets maintained, or a failure or delay by any member, bank or agent of any of the foregoing or a failure or delay by any of the foregoing to enforce its rules, to fulfill its obligations or to make any payment, for any reason whatsoever, The Client waives any claim, cause of action or right as against the Stock Broker its employees or agents, which may arise or occur as a result thereof.
  - e) The Client agrees that he/she/it shall not pay any amount in cash to any Sales Representative of the Stock Broker's at any time for carrying out any transaction in the normal course of the business. The Stock Broker shall not be responsible for any loss on account of cash payment by the Client being contrary to instruction of Stock Broker.
  - f) The client further agrees that he/she/it will not be compensated by the Stock Broker for any "lost opportunity" viz. notional profits on square off transactions executed due to any reason whatsoever, including but not limited to the reasons mentioned in the MCA.
- vi. **Death or Insolvency or winding up**  
The client agrees to immediately furnish information to the Stock Broker in writing, if any winding up petition or Insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him her/it or if any litigation which may have material bearing on his capacity has been filed against him/her/it. In the event of death or insolvency or liquidation of the of the Client or of his/her/its otherwise becoming incapable of receiving and/or paying for or delivering transferring securities which the Client has ordered to be bought or sold, the Stock Broker may close out the transaction of the Client or his/her/its legal representative(s) shall be liable for any losses, costs and can claim) losses, if any, from the estate of the deceased Client and/or the legal representatives who shall however be entitled to any Surplus which may result there from.
- vii. **Severability and Amendment**  
If any provisions of these Terms are held invalid or enforceable by reason of any law, rule, administrative order or judicial decision by any court, regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or terms held invalid. The validity of the remaining provisions and terms shall not be affected thereby and these terms shall be carried out as if any such invalid/unenforceable provisions or terms were not contained herein. Words and expressions which are used this agreement, but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Bye-Laws and Regulations of the exchange(s) and circular issued there from.
- This agreement can be altered, amended and /or modified by the parties mutually in writing without derogating from the contents of this Agreement.
- viii. **No Assignment**  
The rights of the Client under this Agreement are not transferable under any circumstances and shall be used only by the Client.
- ix. **Further assurances**  
In connection with this Agreement, as well as all transactions contemplated by this Agreement as offered by the Stock Broker from time to time each Party agrees to execute and deliver such additional documents and to perform such additional actions as may be necessary, appropriate or reasonably requested to carry out or evidence the transactions in respect of the Services availed by the Client from time to time.
- x. **Dispute Resolution**  
A. In so far as any other disputes or differences in connection with these Terms or their performance (other than the disputes referred to in under the heading "Law and

Jurisdiction" in Rights and Obligations of Stock Brokers, Sub-Brokers and Clients, are concerned such disputes shall, so far as it is possible, be settled amicably between the Parties and in the case where after 30 days of consultation, the parties have failed to reach an amicable settlement, such disputes shall be submitted to arbitration and such arbitration shall be conducted in accordance with the Indian Arbitration and Conciliation Act, 1996 (the "arbitration Act") by a panel consisting of a sole arbitrator.

- B. The Client and Stock Broker agree to refer any claims and / or disputes to arbitration in the city of (Mumbai/Delhi/Kolkata/Chennai) as per the Rules, Bye-Laws and Regulations of the Derivatives Segment/Currency Derivatives Segment of the Exchange as amended from time to time. However, any claims/ disputes against the defaulter Stock Broker shall be referred to arbitration in Delhi only. All disputes shall be determined in terms of the Derivatives Segment/Currency Derivatives Segment Rules, Bye-Laws and Regulations.
- C. Except for the claims/disputes which are subject to the Rules and Regulations of the respective Exchanges on which the trades have been executed, any and all claims and disputes arising out of or in connection with this Agreement or its performance shall be settled by arbitration by a single arbitrator to be appointed by the Stock Broker. The parties agree that the arbitration shall be held at such place within India as the Stock Broker may in its sole discretion specify at the time of, or at any time prior or subsequent to, the reference to arbitration. The Courts at the place specified by the Stock Broker for holding the arbitration proceedings or, if law does not permit the same, the Courts at the city in which the Stock Broker's registered office is situated, shall have exclusive jurisdiction in relation to this Agreement, the arbitration and all matters arising in connection herewith and therewith. The arbitration shall be governed by the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time.

xi. Termination

- a) This agreement shall forthwith terminate: if the Stock Broker for any reason ceases to be a member of the Stock Exchange including cessation of membership by reason of the Stock Broker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled.
- b) Either party shall be entitled to terminate this Agreement without assigning any reason, after giving notice in writing of not less than one month to the other party.
- c) Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this Agreement shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

xii. Jurisdiction

All trades, transactions and contracts are subject to the Rules and Regulations of the respective Exchange on which the trades have been executed and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of Delhi and the parties to such trades shall be deemed to have submitted to the jurisdiction of the Courts in Delhi.

xiii. Authorised Representative

The instructions issued by an authorized representative of the Client shall be binding on the Client in accordance with the letter authorizing the said representative to deal on behalf of the Client. The Client is aware that authentication technologies and strict security measures are required for the Internet trading through order routed system and undertakes to ensure that the security code(s) of the Client and/or his/her/its authorised representative. In the event of the authorized representative(s) being replaced, it shall be the responsibility of the Client to inform the Stock Broker of the change in writing, failing which the Client shall be

responsible for the trade obligations arising out of the actions of both the old representative as well as the new representative.

I. Client's Covenants

- i. The client hereby undertake to:
  - a) Place the initial and maintain margin amounts as specified by the Stock Broker from time to time, subject to requirements specified by SEBI, however the Client shall be responsible to maintain the margin requirement without waiting for any intimation by the Stock Broker
  - b) Authorize retention of the shares with the Stock Broker upon the receipt of the same in the pay out from the Stock Exchange till the amount due in respect of the said transaction including the dues to the Stock Broker is paid in full by the client.
  - c) To pay to the Stock Broker-Brokerage, commission, fees, transaction costs, service tax, stamp duty and other taxes and charges (including but not limited to security handling charges on settlement) as are prevailing from time to time and as they apply to the Client's account, transactions and to the Services that the Stock Broker renders to the Client.
  - d) Abide by any revision in any of the terms of this agreement as may be agreed between the parties.
- ii. Client's warranties  
The Client warrants, represents and assures the Stock Broker that he shall duly observe and perform the conditions and obligations stated herein.
- iii. Stock Broker's representation  
The Stock Broker represents that on entering into this agreement and deposit of initial margin by the Client the Stock Broker undertakes to settle the obligation towards the Stock Exchange for and on behalf of the Client. The Client hereby agrees and authorizes the Stock Broker to make such payments on his behalf

J. General

- i. Mark to Market Margins in Derivatives/Currency Derivatives  
For Derivatives/Currency Derivatives contacts, the Client agrees that the Stock Broker shall raise bills at suitable periodic intervals. The Client also agrees to pay an up-front margin at the beginning of each week that will be sufficient to cover the daily margins for the entire duration of the week. If at any time during the week, the cumulative Mark to Market (MTM) margin falls short Margin available in the Client's account, the Client agrees to heed the Stock Brokers additional Margin calls. As the up-front weekly margin calls are purely for operational convenience, the Client will keep a track of the M-to-M shortfall and shall ensure that the Margins are adequate at all times and will immediately make good any short fall whether or not the Stock Broker intimates him/her/it within stipulated time.
- ii. Payment by client through cheque  
In case where the payment by the Client towards the Margin in made through a cheque issued in favor of the Stock Broker, any trade(s) would be executed by the Stock Broker only upon the realization of funds of the said cheque or at the discretion of the Stock Broker. The payment made by the Client shall be considered only subject to availability of sufficient clear funds in the account of the Client maintained by the Stock Broker & as may be necessary for the Stock Broker to make delivery or payment (as stipulated by the exchange and/or the regulatory bodies).  
The Client understands that there can be time lag in updation of funds from the bank account of the Stock Broker to the Clients account and the Client thus undertakes to make the payment upfront well in advance, so that the Client has sufficient clear funds available in the account at all times.  
Without prejudice to the foregoing and notwithstanding anything contained in the MCA, the Client undertakes to indemnify the Stock Broker from loss incurred, if any due to the time lag in updation of funds in the account of the Client from the account of the Stock Broker & undertakes to bear any resultant loss or eventuality arising thereof.

iii. Credit inquiry

The Client authorizes the Stock Broker to conduct at any time a credit inquiry or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client and the Client shall provide such financial and other information to the Stock Broker as may be required by the Stock Broker from time to time.

K. Foreign jurisdiction

This Agreement does not constitute an offer to sell or a solicitation of an offer to buy any shares, securities or other instruments to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The services covered under this Agreement are not intended to be any from of any investment advertisement investment advice or investment information and has not been registered under any securities law of any foreign jurisdiction and is only for the information of any person in any jurisdiction where it may be lawful to offer such a service. Further, any information on [www.indiabulls.com](http://www.indiabulls.com) is to be construed as a representation with respect to shares, securities or other investment regarding the legality of an investment therein under the respective applicable investment or similar laws or regulation of any person or entity accessing [www.indiabulls.com](http://www.indiabulls.com).

L. Electronic Payment Gateway

i. In this clause,

- a) "Electronic Payment Gateway for Net banking Terms and Conditions" shall mean the terms and conditions as modified from time to time applicable to Electronic Payment Gateway for Net banking offered through the Medium in the HDFC or other bank a/c and accepted by the Client;
- b) "Confidential Information" refers to information obtained by the Client, through the Stock Broker, for the effective availment of Services or Payment Instruction Services" Electronic Payment Gateway for Net banking services
- c) "Payment Instruction" shall mean an instruction given by a Client to transfer funds from the Account held by the Client to the account of the Stock Broker.
- d) The Client understands that issuing an online instruction to transfer fund do not guarantee the credit of the money as the same may be delayed due to time lag in Gateway transfer process, or any other technical or other reasons whatsoever beyond the control of the Stock Broker. The Client undertakes to bear the resultant loss, if any arising out of such eventuality.

ii. Internet

Internet refers to the network of computers/mobile phones/other electronic devices which share and exchange information. The Internet is at once a worldwide broadcasting capability, mechanism for information dissemination, and a medium for collaboration and interaction between individuals and their computers/mobile phone/other electronic devices capable of accessing the Internet without regard for geographic location.

iii. Electronic Payment gateway for net banking services

Electronic Payment Gateway for Net banking Services is Stock Broker's Service which provides access to account information, the Internet with the help of concerned bank. The terms Electronic Payment Gateway for Net banking and Electronic Payment Gateway for Net banking services/facility may be interchangeably used.

iv. Client

Client refers to any person who has an account with the Stock Broker and who has been authorized by the Stock Broker to avail of the said facility.

v. Account

Account refers to the Client's Savings and/or Current Account to which access is to be obtained through Electronic Payment Gateway for Net banking.

vi. Personal information

Personal Information refers to the information about the Client obtained in connection with electronic Payment Gateway for Net banking or otherwise.

vii. Application for Electronic Payment Gateway for Net banking

The Stock Broker may offer Electronic Payment gateway for Net banking to selected Client at its discretion in collaboration with the concerned bank. The Client agrees that in order to be eligible for Electronic Payment Gateway for Net banking it/he/she would need to be a current Internet user or have access to the Internet and knowledge of how the Internet work and have Net Banking facility with its/his/her bank. The Client accepts that the application for Electronic Payment Gateway for Net banking does not automatically imply acceptance by the Stock Broker.

viii. Software

The Stock Broker or the concerned bank will advise from time to time the Internet software such as Browsers, which are required for using Electronic Payment Gateway for Net banking. There will be no obligation on the Stock Broker to support all the versions of this Internet software. The Client agrees that the Client shall be responsible for upgrading their software, hardware and the operating system at their cost from time to time so as to be compatible with that of the Stock Broker. The Stock Broker or the bank shall be at liberty to change, vary or upgrade its software, hardware, operating systems, etc., from time to time and shall be under no obligation to support the software, hardware operating systems used by the Client and that the same shall be their sole responsibility.

ix. Electronic Payment Gateway for Net banking Service

- a) The Stock Broker shall endeavor to provide through Electronic Payment Gateway for Net banking, such service as the Stock Broker may decide from time to time. The Stock Broker reserves the right to decide the type of services which may be offered on each account and may differ from Client to Client. These facilities shall be offered in a phased manner at the discretion of the Stock Broker. The Stock Broker may also make additions/deletions to the services offered through Electronic Payment Gateway for Net banking at its sole discretion. The availability/non-availability of a particular service shall be advised through E-mail or web page of the Stock Broker or written communication.
- b) In case of Joint accounts and accounts with two or more signatories, the Stock Broker will offer such services as restricted by the terms and conditions governing the operation of such accounts.
- c) In case of Minor accounts, the natural guardian undertakes to give all instructions relating to the operation of the account and further undertakes not to reveal the Client ID and Password to the minor.
- d) The Stock Broker shall take reasonable care to ensure the security of and prevent unauthorized access to the Electronic Payment Gateway for Net banking service using technology reasonably available to the Stock Broker.
- e) The Client agrees that it/he/she not use or permit to use Electronic Payment Gateway for Net banking or any related service for any illegal or improper purposes.

x. Electronic Payment Gateway for Net banking Access

- a) The Client understands that the Stock Broker would allot them a Client-ID and password for their account, which will enable them to have access to Electronic Payment Gateway for Net banking to perform Net banking for bank account. The Client will be required to change the password assigned by the Stock Broker on accessing Electronic Payment Gateway for Net banking for its first time. As a safety measure the Client changes the Password as frequently thereafter as possible. In the absence of any specific request from them for personally collecting the Password, the Password shall be sent to the Client by courier at its/his/her risk and consequences to the address notified by them for correspondence, and the Stock Broker shall be not liable or held responsible in any manner whatsoever, if the Password fails in the hands of unauthorized person/s.
- b) In addition to Client-ID Password the Stock Broker may, at its discretion, require the Client to adopt such other means of authentication including but no limited t digital certification and/or smart cards. The Client agrees that it/he/she shall not attempt or permit others to attempt accessing the account information stored in the computers of the Stock Broker

through any means other than the Electronic Payment Gateway for Net banking service. The Client is aware that the transaction through Electronic Payment Gateway for net banking can be effected by use of their password for their Stock Broker account and passwords for Net Banking for the operation of their bank account for Net Banking. The Client shall not request/demand any evidence of proof for transaction undertaken through the net and the audit trail of the log-in would be conclusive proof to establish that the transactions are bonafide.

xi. Password

The Client understands and agrees that it/he/she must:

- a) Keep the password totally confidential and not reveal the same to any third party.
- b) Choose a password that shall consist of a mix of alphabets, numbers and special characters, which must not relate to any readily accessible personal data such as it/his/her name, address, telephone number, driver license etc. or easily guessable combination of letters and number.
- c) Commit the password to memory and not record them in a written or electronic form, and
- d) Not let any unauthorized person have access to their computer or leave the computer unattended while accessing Electronic Payment Gateway for Net banking.
- e) In case the Client forgets the password for their account with the Stock Broker, it/he/she can request for change of the password. Such replacement shall not be construed/deemed as the commencement of a new contract.

xii. Transaction Processing

All the requests for instantaneous transactions will be given effect to instantaneously. In case requests for effecting any transactions are received on weekly offs/holiday/public holidays, with the Stock Broker, the Exchange & bank, they shall be effected on the immediately succeeding working day on the terms and conditions prevailing on that day. The Client shall not hold the Stock Broker or the bank responsible for not processing/effecting any transaction in case the Stock Broker does not receive instruction to this effect even though they have forwarded the same. The Client hereby agrees to abide by the following terms and conditions in addition the terms and conditions applicable to.

xiii. Electronic Payment Gateway for Net banking

- a) The Client shall be free to utilize the Payment Instruction Services through Electronic Payment Gateway for Net banking for transfer of funds for such purpose, as they shall deem fit.
- b) The Client however agrees not to use or permit the use of Payment Instruction Service or any related services for any illegal or improper purposes. Whilst utilizing the Payment Instruction Services for making any payments for any services obtained whether on-line or otherwise, they shall ensure that.
- c) The Client has the full right and/or authority to access and avail of the services obtained and they shall observe and comply with the applicable laws and regulations in each jurisdiction in applicable territories. They shall not access to family/relatives/friends or any other person's account through this gateway facility for transfer of funds and if done so then the Client shall be solely responsible for the said transfer of funds. And further undertake if any such claim is made by the third party so effected then they shall be solely responsible and not Stock Broker in any manner.
- d) The Client shall not involve the Stock Broker as a party to such transaction
- e) The Client shall provide the Stock Broker with such information and/or assistance as is required by the Stock Broker for the performance of the Services and/or any other obligations of the Stock Broker under this Agreement.
- f) The Client shall not at any time provide to any person, with any details of the accounts held by him/her/it with the Stock Broker including, the Passwords, account number which may be assigned to him/her/it by the Stock Broker from time to time.

xiv. Risks

The Client hereby acknowledges that it/he/she is availing the Payment Instruction Service at it/his/her risk. These risks would include but not limited to the following risks.

a) Misuse of Password

The Client acknowledges that if any third person obtains access to their password, such third person would be able to provide Payment Instructions to the Stock Broker. They shall ensure that

the terms and conditions applicable to the use of the password as contained in the Electronic Payment Gateway for Net Banking Terms and Conditions are compiled with at all times.

b) Internet frauds

The Internet per se is susceptible to number of frauds, misuse, hacking and other actions, which could affect Payment Instruction to the Stock Broker. Whilst the Stock Broker shall aim to provide security to prevent the same, there cannot be any guarantee from such Internet frauds, hacking and other actions, which could affect Payment Instructions to the Stock Broker. The Client shall separately evolve/evaluate all risks arising out of the same.

c) Mistake & Errors

The filling in the applicable data for transfer would require proper, accurate and complete details. For instance, the Client is aware that they would be required to fill in the account number of the Stock Broker to whom the funds are to be transferred. In the event of any inaccuracy in this regard, the funds could be transferred to incorrect accounts and there is no guarantee of recovery thereafter. The Client shall therefore take all care to ensure that there are no mistakes and errors and that the information given by the client to the Stock Broker in this regard is error free, accurate, proper and complete at all points of time. On the other hand in the event of my in this regard is error free, accurate, proper and complete at all points of time. On the other hand in the event of the clients Account receiving an incorrect credit by reason of a mistake committed by some other person, the Stock Broker or the bank shall be entitled to reverse the incorrect credit at any time whatsoever without the consent of the client. The client shall be liable and responsible to Stock Broker and accede to accept the Stock Broker's instructions without questions for any unfair or unjust gain obtained by me as a result of the same.

d) Transactions

The transactions, which the Client may require, the transfer of the funds may not fructify. The Stock Broker is the merely providing it/him/her services whereby the said funds would be transferred from there.

e) Technology Risks

The technology for enabling the transfer of funds and the other services offered by could be affected by virus or other malicious, destructive or corrupting code, programme or macro. It may also be possible that the site of the Stock Broker or the bank may require maintenance and during such time it may not be possible to process the request of the Clients. This could result in delays in the processing of instructions or failure in the processing of instructions and other such failure and inability. The client understands that the Stock Broker disclaims all and any liability, whether direct or indirect, whether arising out of loss or profit or otherwise arising out of any failure or inability by the Stock Broker to honor any Client instruction for whatsoever reason. The client understands and accepts that the Stock Broker shall not be responsible for any of the aforesaid risk. Client also accepts that the Stock Broker shall disclaim all liability in respect of the said.

f) Indemnity

The Client shall indemnify the Stock Broker from and against all losses and damages that may be caused as a consequence of breach of any of the Electronic Payment Gateway for Net banking Terms and Conditions and the terms and conditions mentioned herein above.

g) Withdrawal of Facility

The Stock Broker shall be entitled to withdraw this service at any time whatsoever without assigning any reason whatsoever and/or any notice to the Client.

i. **Charges**

The Client hereby agrees to bear the charges as may be stipulated by the Stock Broker from time to time for availing of these services.

ii. **Binding nature of above terms and conditions**

The Client agrees that by use of this facility, the Client shall be deemed to have agreed to all the above terms and conditions and such terms and conditions shall be

bound on it/him/her in the same manner as if it/he/she has agreed to the same writing.

h) Authority to the Stock Broker

- i. Electronic Payment Gateway for Net banking transactions in the Client's Account(s) are permitted only after authentication of the Client-ID and password. The Client agrees that they grant express authority to the Stock Broker or the bank for carrying out transactions performed by them through Electronic Payment Gateway for Net banking. The Stock Broker shall have no obligation to verify the authenticity of any transaction received from the Client through Electronic Payment Gateway for Net banking or purporting to have been sent by them via Electronic Payment Gateway for Net banking or purporting to have been sent by them via Electronic Payment Gateway for net banking other than by means of verification of their Client-ID and the password.
- ii. The display or printed output that is produced by the Client at the time of operation of Electronic Payment Gateway for Net banking is a record of the operation of the Internet access and shall not be construed as the Stock Broker's record of the relative transactions. The Stock Broker's or bank own record of transactions maintained through computer system or otherwise shall be accepted as conclusive and binding for all purposes unless any discrepancy is pointed out within one week from the date of access or from the date of sending the periodical statement, whichever is earlier.
- iii. All transactions arising from the use of Electronic Payment Gateway for Net banking, to operate a joint account, shall be binding on all the joint account holders, jointly and severally.

i) Accuracy of information

The Client agrees that it/he/she is responsible for the correctness of information supplied to the Stock Broker through the use of Electronic Payment Gateway for Net banking or through any other means such as electronic mail or written communication. The Stock Broker accepts no liability for the consequences arising out of erroneous information supplied by them. The Client agrees that if it/he/she notices any error in the account information supplied to it/him/her through Electronic Payment Gateway for Net banking or by the use of any Electronic Payment Gateway for Net banking service, the Client shall advise the Stock Broker & bank as soon as possible. The Stock Broker will endeavor to correct the error promptly.

j) Liability

The Client complies with the terms and advice the Stock Broker and the bank in writing under acknowledgment immediately after it/he/she suspect that their Client-ID or password is known to another person and/or notice an unauthorized transaction in their Electronic Payment Gateway for Net banking account. The Client agrees that it he/she shall be liable for some or all loss from unauthorized transactions in the Electronic Payment Gateway for Net banking accounts if it/he/she has breached the Terms or contributed or caused the loss by negligent actions such as the following:

- i. Keeping a written or electronic record of Electronic Payment Gateway for Net banking password.
- ii. Disclosing or failing to take all reasonable steps to prevent disclosure of the Electronic Payment Gateway for Net banking password to anyone including Stock Broker staff and/or failing to advise the Stock Broker of such disclosure within reasonable time.
- iii. Not advising the Stock Broker and the bank in a reasonable time about unauthorized access to erroneous transactions in the Electronic Payment Gateway for Net banking accounts. The Stock Broker shall in no circumstance to be held liable to the Client if Electronic Payment Gateway for Net banking access is not available in the desired manner for reasons including but not limited to natural calamity, floods, fire and

natural disasters, legal restraints, faults in the telecommunication network or Internet or network failure, software or hardware error or any other reasons beyond the control of the Stock Broker. The Stock Broker under no circumstances shall be liable for any damages whatsoever whether such damages are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any character or nature whatsoever and whether sustained by the Client

k) Disclosure of personal information

The Client agrees that the Stock Broker or its contractors may hold and process the Client's Personal Information on computer or otherwise in connection with Electronic Payment Gateway for Net banking service as well as for statistical analysis and credit scoring. The Client also agrees that the Stock Broker may disclose, in strict confidence, to other institutions, such Personal Information as may be reasonably necessary for reasons inclusive of, but not limited to, the following:

- i. For participation in any telecommunication or electronic clearing network in compliance with a legal directive.
- ii. For credit rating by recognized credit scoring agencies.
- iii. For fraud prevention purposes.

l) Stock Broker's Lien

The Stock Broker shall have the right of set-off and lien, irrespective of any other lien or charge, present as well future on the deposits held in the Client accounts and stocks whether in single name or joint name(s), to the extent of all outstanding dues, whatsoever, arising as a result of the Electronic Payment Gateway for Net banking service extended to and/or used by them.

m) Non-transferability

The grant of facility of Electronic Payment Gateway for Net banking to them is not transferable under any circumstance and shall be used only by the Client.

n) Termination of electronic payment gateway for the net banking service

- i. The Client may request for termination of the Electronic Payment Gateway for the Net banking facility any time by giving a written notice of at least 15 days to the Stock Broker. The Client agrees that he/she/it will remain responsible for any transactions made on their Electronic Payment Gateway for Net banking account(s) through Electronic Payment Gateway for Net banking prior to the time of such cancellation of the Electronic Payment Gateway for Net banking service.
- ii. The closure of all the Accounts of the Client will automatically terminate the Electronic Payment Gateway for Net banking service.
- iii. The Stock Broker may suspend or terminate Electronic Payment Gateway for Net banking facilities without prior notice.

o) Corporate benefits; settlement cycle

The Client accepts responsibility for knowing the status of all corporate benefits like rights and bonus issues, dividends and stock splits of shares he/she/it intends to trade in or held on his/her/its account and the eligibility of the shares to meet share pay in obligations to exchanges whether received by way of purchases, right, bonuses, stock split, off market transfer otherwise. Stock Broker will pass to the Client whatever corporate benefits are received from the companies directly like dividends and bonus shares. For other corporate benefits / actions like Right issue / Open offers etc. where shareholders are required to apply to the company, it is the Client's responsibility to track announcements of such corporate benefit and then apply to the company if Client so desires. Stock Broker shall not be liable for any real or national loss suffered by the Client, if Client fails to apply to such corporate benefits in time for the shares held by the Stock Broker on behalf of the Client. In some cases, Stock Broker at the Client's request may apply on behalf of the Client for a Rights Issue / Open offer for the shares held by Stock Broker on behalf of Client. Stock Broker shall not be liable for any loss / claim whatsoever in case such application is rejected by the Registrar / Company / Manager to the issue for any reason.

p) Clients using Internet & Wireless Technology Based Trading Facility

- i) i) The Client agrees and undertakes to immediately change his initial password upon receipt thereof. The Client is aware that subsequent passwords are not known or available to the Stock Broker
- ii) ii) The Client shall log off from the Stock Broker's IBT system at any time the Client is not accessing or using the Service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall borne solely by the Client.
- iii) Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on the Stock Broker's IBT system, the Stock Broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.
- iv) The Client agrees that the Stock Broker may, at its sole discretion, subject any order placed by a Client to manual review and entry, which may cause delays in the processing of the Client's order or may result in rejection of such order.
- v) In case of a market order, the Client agrees that he will receive the price at which his order is executed by the exchange's computer system; and such price may be different from the price at which the security is trading when his order is entered into the Stock Broker's IBT system.

#### General

1. The Client shall from time to time upon the request of the Stock Broker promptly and duly execute and deliver any and all such further instrument and documents that may be required by the Exchanges and/or regulatory authorities or as the Stock Broker may deem desirable for the purpose of obtaining the full benefit of this Agreement and of the rights and powers granted under it.

IN WITNESS THEREOF, the parties to the agreement have caused these presents to be executed of the day and year first above written.