

Ref.: 07-08/ISS/ 2221/KS  
October 09, 2007

**All the Registered Intermediaries of ISS  
President / Executive Director of Participating Exchanges  
Co-ordination Officers at Participating Exchanges / Regional Administrative  
Officers**

Dear Sir / Madam,

**Sub.: Waiver of Netbranch and Netprofit Annual Fees for  
registrations done upto December 31, 2007.**

This is in continuation to our earlier circular Ref. No. 07-08/ISS/ 1372 /KS dated July 24, 2007, and 07-08/ISS/ 420 /KS dated May 4, 2007 and in defense to the requests received from our Registered Intermediaries, ISS has decided to waive the upfront annual fees payable by ISS intermediaries for Netprofit and Netbranch software in the case of all applications received upto December 31, 2007.

We request all Registered Intermediaries of ISS to take advantage of the above and register their clients for Netbranch and Netprofit facility. The procedures for registering clients for Netprofit and Netbranch, as well as the FAQs in this regard, are attached herewith for your ready reference

In case you need any further clarification, please contact the undersigned at [clientsregiss@iseindia.com](mailto:clientsregiss@iseindia.com) or call at: (Board lines) 022-67941100 / 1000, Extn. 144 / 162.

Yours faithfully,  
For **ISE SECURITIES & SERVICES LTD.**,

Kevin M. N. Sunder  
Manager, Head Inspection and CRD.

Encl.: As above

ISE SECURITIES & SERVICES LTD.

**CHECK LIST FOR ACTIVATION OF CLIENT  
FOR INTERNET TRADING (Net Branch)**

(To be filled in by the client)

1) NSE CM

2) BSE CM

3) NSE F & O

Date : \_\_\_\_\_

CRD Ref. No.: \_\_\_\_\_

Client Code. : \_\_\_\_\_

CRD Status: \_\_\_\_\_

Sub Broker /Remiser Name	
Clients Name	
Address Location at which the Internet Branch are to be installed.	
Pin Code & State /region	
Telephone & Fax No.	
E-MAIL ID	
Trading option Margin*, Delivery**, BTST ***, All the above	 <hr/> <hr/> <hr/>
Bank Name & Account number	
PAN Number	
ISE DP Account Number	
Signature of the Client	

\* **MARGIN**:-Under the margin trading , clients can trade only intra-day .It means clients net positions must be zero at the end of trading hours .If the client does not make his net position zero before 3.10 PM System automatically allow position to squared up between 3.10 PM to 3.20 PM.

\*\* **DELIVERY**:-Under the delivery trading , clients can trade on the deliver of shares basis .It means at the end of trading hours client can create positions. Client will get benefit only if ha has ISS Beneficiary account and ISE DP account.

\*\*\* **BTST** (BUY TODAY SELL TOMMOROW):-Under the BTST trading client can buy today and sell to that particular scripts on next day . If next day the client does not make his net position zero before 3.10 PM System automatically allow position to squared up between 3.10 PM to 3.20 PM.

**(Details required to be filled in by the Registered Intermediaries ) [Net Branch]**

You are requested to debit the yearly subscription (usage charges) for Internet Trading Terminal Rs.2500/- per annum from the Branch Bank account in advance. **(Non Refundable.)**

I/We have deposited a cheque No. \_\_\_\_\_ dated \_\_\_\_\_ into the branch Bank A/c No. \_\_\_\_\_ and the voucher entry has done on the class/IBOS Software.

Internet Brokerage Table No. for the client	NSE TRD : _____ DEL _____ BSE TRD : _____ DEL : _____ F & O : _____
Ledger balance of the Branch as on. _____	NSE : Rs. _____ BSE : Rs. _____ F & O : Rs. _____
Client already trading in Odin NSE BSE F&O	YES : <input type="checkbox"/> NO : <input type="checkbox"/>
If Yes ratio of margin allocation in Odin/Internet	NSE : _____ BSE : _____ F & O : _____
Sign and Seal of the Sub-broker.	

**CHECK LIST FOR MAPPING OF CLIENT  
FOR INTERNET TRADING (Net Branch)**

Date :

CRD Ref. No.:

Client Code. :

Segment to be allow for Trading: 1)NSE:  2)BSE:  3)F&O:

**REGISTRATION DETAILS**

Sub-broker's /Remiser's Name	
Sub-broker Code	
Client's Name	
Client Code	
Address Location at which the Internet Branch are to be installed.	
Pin Code	
State /region	
Country	
Telephone	
Fax No.	
E-MAIL ID	
<u>Brokerage Table</u>	
NSE	_____
BSE	_____
F&O	_____
Clients Identity	<b>EXISTING / NEW</b>
Demate Details (DP ID & Client ID)	_____
Trading option	_____
<b>Margin *</b>	_____
<b>Delivery **</b>	_____
<b>BTST ***</b>	_____
All the above****	_____
Bank Name	
Account No	
Current Ledger Balance	
Signature of the Sub-Broker	

- **MARGIN:-**Under the margin trading , clients can trade only intra-day .It means clients net positions must be zero at the end of trading hours .If the client does not make his net position zero before 3.15 PM System automatically allow position to squared up.
- **DELIVERY:-**Under the delivery trading , clients can trade on the deliver of shares basis .It means at the end of trading hours client can create positions. Client will get benefit only if he has ISS Beneficiary account and ISE DP account.
- **BTST:-** (BUY TODAY SELL TOMMOROW):-Under the BTST trading client can buy today and sell to that particular scripts on next day . If next day the client does not make his net position zero before 3.15 PM System automatically allow position to squared up.

**APPLICATION FOR APPROVAL AS USER IN CAPITAL MARKET NSE/BSE/ NSE  
FUTURES & OPTIONS /INTERNET  
(Important: Strike out whichever is not applicable)**

The Head, CRD Dept.  
ISE Securities and Services Limited  
International Infotech Park, Tower No 7, Floor No 5,  
Vashi Railway Station Complex, Sector 30  
Vashi , Navi Mumbai - 400 703

Dear Sir,

We \_\_\_\_\_(Registered Intermediary) do hereby communicate to you that \_\_\_\_\_(Name of CTCL User) has been appointed by us as an Approved Person at our trading office situated at (Address \_\_\_\_\_ with PINCODE) \_\_\_\_\_where we have the VSAT / Leased Line/ISDN / Dial-up / Lan / Broad Band connectivity. We further desire that \_\_\_\_\_(Name of CTCL User) be granted permission to act as our Approved User at the above said office for our trading terminals in the Capital Market / Futures & Options / Internet [*strike out whichever is not applicable*] segment. The details of the office where the terminal is located and other relevant details are furnished below.

1. Terminal No. To Be Activated: \_\_\_\_\_
2. Segment in which terminal is to be Activated (BSE/NSE/F&O/Intenet) \_\_\_\_\_
3. SEBI Registration No. & Date of Registered Intermediary: INS \_\_\_\_\_  
Date: \_\_\_\_\_  
MAPIN No.: \_\_\_\_\_
4. Registered Office address of Registered Intermediary: \_\_\_\_\_
5. Status and Address of our office where the terminal is proposed to be located:  
Add : \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Pin: \_\_\_\_\_  
Tel.: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_
6. Name and designation of the person in-charge of the above office : \_\_\_\_\_

DETAILS OF THE PROPOSED USER (CTCL User)

7. Name of the person for whom this application for allotment of User ID is made (*expand all initials*): \_\_\_\_\_

8. Date of birth of proposed user : \_\_\_\_\_

9. Name of father of proposed user : \_\_\_\_\_

10. Permanent address of proposed user : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel.  
No.: \_\_\_\_\_

11. Present address of proposed user : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Qualification(s) of proposed user : \_\_\_\_\_

13. Registration No. of the NCFM test  
(*enclose copy of the NCFM certificate*) : \_\_\_\_\_

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14. Validity Date of NCFM certificate :  
DD MM YYYY

Module (please tick whichever is applicable)  
=Capital Market  
[Please tick the applicable one]

Dealers  
 Derivatives  
15. Relationship of the proposed user with the Registered Intermediary: \_\_\_\_\_  
(Director/ Proprietor/ Employee / Agent on commission basis / Trainee)

And period from which the relation commenced

:-----/-----/-----  
DD MON YYYY

16. Mode of connectivity for trading from the said premises: VSAT/ Lan / Dial-up  
(from where the proposed User would operate) Leased Line, ISDN

17. No. of existing terminals at the above address:

Capital Market  
BSE : \_\_\_\_\_  
NSE: \_\_\_\_\_  
F&O: \_\_\_\_\_

I/We hereby agree and bind myself/ourselves to be responsible for all acts, quotations made and transactions done, trades made, or effected by \_\_\_\_\_(Name of CTCL User) as our Approved User on the Trading System on the Capital Market/Futures & Options Segment of the National Stock Exchange. I/We shall ensure that the user for whom approval is sought now will not execute any order on his own account or on account of anyone without such order having our prior approval in writing. I/We shall ensure that the proposed Approved User \_\_\_\_\_ (Name of CTCL User) will not function / place orders / deal on the trading system in any manner in his/her individual capacity and all such orders and trades that may be placed or executed on the trading system on the Capital Market /Futures & Options segment at the National Stock Exchange shall be only on my/our account. In case of \_\_\_\_\_(Name of CTCL User) ceasing to be associated with us as a director/ proprietor/ an employee/ an agent on commission basis/ a trainee, we shall communicate to you and seek the disablement of the User ID so allotted against this application. I/We are also aware that the NCFM certificate has a validity of 3 years and accordingly the User IDs so allotted would be withdrawn by the NSE and ISE Securities & Services Ltd. on the expiry of such period unless the said certification is revalidated. I/We certify that we have not applied for any other User ID in the name of \_\_\_\_\_(Name of CTCL User) on the same segment for which this ID is now being applied for. The User ID so allotted would be utilized by \_\_\_\_\_ (Name of CTCL User) only to access the CTCL trading system. I/We also wish to confirm that the office where this CTCL terminal is located belongs to me/us or rented by me /us and the individual for whom this ID has been sought is not a person who is ineligible to participate in the Capital Market/Futures & Options segment of the National Stock Exchange, as per the provisions of SCRA, SEBI Act, NSE Rules & Bye Laws, ISE Rules & Bye Laws and ISS Business Rules and Circulars.

I/We hereby agree that any claim, whether admitted or not, difference or dispute between myself/ourselves and ISE Securities & Services Ltd. (ISS) arising out of transactions done through ISS, shall be subject to the exclusive jurisdiction of Courts in Mumbai

Date: \_\_\_\_\_

Place:

Stamp & Signature of the Registered Intermediary

I hereby declare that I am aware of the Rules, Bye-laws, Regulations and Circulars issued by the National Stock Exchange and ISE Securities & Services Limited. I agree to becoming a User of the CTCL facility provided by M/s ISE Securities & Services Limited. I undertake to intimate NSE and ISS on ceasing to be a director/ proprietor/ an employee/ an agent on commission basis/ a trainee of the Registered Intermediary. I hereby agree to abide by the Rules, Regulations, Bye-laws and Circulars issued by NSE and ISE Securities & Services Limited that may be in force from time to time and understand that appropriate disciplinary action may be initiated by ISS, ISE and NSE in case of violation of the Rules, Regulations and Bye-laws and Circulars issued by the NSE, ISE and ISS. I affirm that I have not applied for any other User ID on the same segment for which this ID is now being applied for. I will not allow anyone else to access / use the CTCL facility provided by ISS using the User ID so allotted to me.

I/We hereby agree that any claim, whether admitted or not, difference or dispute between myself/ourselves and Registered Intermediary arising out of transactions done through ISS, shall be subject to the exclusive jurisdiction of Courts in Mumbai

Date:

Place:

\_\_\_\_\_  
Name and Signature of User

To:

All Registered Intermediaries of ISS

Respected Sirs / Madam,

Further to our circular Ref.06-07/ISS/37092/GC dated July 20, 2006, please find below the list documents required for activation in ISS's Netbranch

1. **CTCL APPLICATION FOR INTERNET WITH NCFM CERTIFICATE (Format attached)**
2. **Checklist Netbranch Activation (Format attached)**
3. **Undertaking to be given on the letter head of the Registered Intermediaries (Format attached)**

For your ready reference, we give below the following circulars and FAQs.

1. **Netbranch circular dated July 20, 2006.**
2. **FAQ on Branch Internet trading.**
3. **CRD FAQ NO.17 on Internet Agreement procedures.**

Incase you need any additional information, please contact us at [clientregiss@iseindia.com](mailto:clientregiss@iseindia.com)

Documentation for Netprofit will follow shortly.

Regards

Kevin M. N. Sunder  
HOD, CRD Dept.



## CRD FAQ NO:17 SUBMISSION OF INTERNET TRADING AGREEMENT.

To:  
ALL REGISTERED INTERMEDIARIES OF ISS.

**Question:** How to submit the Internet Trading Agreement without any pending or scope for rejection at ISS?

**Answer:** The Registered Intermediaries should take following precautions before sending the Tripartite Agreement / Internet Clients Agreement to ISS.

1. Ensure that the details regarding name and address of Sub-broker, client and witness are completely filled at all relevant pages.
2. NJSP should be neatly typed with the content as per our FAQ.13 (attached below) and should be signed by both end client and the Sub-broker
3. On NJSP always specify the market segment as 'For National Stock Exchange or For Stock Exchange Bombay' whichever is applicable.
4. Seal of Sub-broker and Client (applicable for entities other than individual) affixed with signature.
5. Ensure witness name and address duly filled and signed by witness.
6. Ensure that the date of execution is kept blank.
7. Stamp Paper NJSP should be attached with the Agreement dully signed by the Sub-Broker and Clients in all the pages.
8. Risk Disclosure Document is required along with this Agreement even if it is submitted in the CRD

### COMMON ERRORS/INCOMPLETE DETAILS NOTICED BY CRD DEPARTMENT

1. The name and address of sub-broker / client / witness not filled at relevant pages of CRD forms.
2. Submitted NJSP of Rs.100 without typing the content prescribed by ISS
3. Submitted NJSP of RS.100 with incomplete or improper statement.
4. On NJSP market segment (BSE/NSE) not specified.
5. Seal of Sub-broker and Client (applicable for entities other than individual) not affixed.
6. Details of Sub-broker and Client filled but witness detail kept blank / not filled.
7. Date of execution entered by Client / Sub-broker.

From now onwards the registered intermediaries are requested to fill in the required information, failing which we will be compelled to return Agreement and action would be taken as per ISS circular Ref. 05-06/ISS/26009/GC dated July 18, 2005 and Ref. 05-06/ISS/26862/KS dated August 19, 2005.

Regards  
Kevin M. N. Sunder  
Head, CRD Dept.  
Frequently Asked Questions

CRD FAQ No.12

To:

**All Registered Intermediaries of ISS.**

**Question: How to register an end client with ISS supplied unfranked CRDs?**

**Answer:** The Tripartite agreement between Stock broker, Sub-broker and Client are required to be submitted on Non Judicial Stamp Paper (NJSP) of Rs 100/- or franked on Rs.100 value. If the tripartite agreement is not franked then the Registered Intermediaries can submit any one of the following:

**Option 1:**

Affix Rs.100 adhesive stamps on the tripartite agreement and get it dully signed by the treasury or the competent authority.

**Option 2:**

Same can be franked with the competent authorities for the value of Rs100/-

**Option 3:**

A separate NJSP for Rs.100/- (stamp paper) can be purchased and attached with the CRD.

*On the Stamp Paper the following Contents should be typed and it should be dully signed by the Sub-broker and Client.*

This Non-Judicial Stamp Paper of Rs 100/- forms part and parcel of the Tripartite agreement entered between ISE Securities & Services Ltd. (Stock Broker), \_\_\_\_\_ (Sub-broker) and Shri / Smt. \_\_\_\_\_ (Client) executed on \_\_\_\_\_.

Stock Broker  
Client  
(Signature)

(Signature)

Sub-Broker  
(Signature)

**(Note: Please don't fill the date column , it will be entered as per the day of execution at ISS.)**

The Registered Intermediaries whose CRDs are being kept pending for the non-compliance of the above requirement based on the status they may opt for the Option 3: and send the Stamp Paper dully signed by Sub-broker and Client for speedy registration.

Regards

Kevin M. N. Sunder  
Head, CRD Dept.

Ref: 06-07/ ISS/37092/GC  
June 20, 2006

- Hand Delivery
- Fax
- Courier
- Post
- E-mail

**All Sub-brokers of ISS  
Administrators/ Executive Director of Participating Exchanges, Co-ordination Officers  
at Participating Exchanges/Regional Administrative Offices**

Dear Sir / Madam,

*Sub: Launch of Sub-broker Trading Facility through internet ( ISS's "netbranch")*

As you are aware, ISS is continuously taking steps to improve its services to its sub-brokers and their clients at the most competitive rates in the industry.

ISS is now launching "netbranch" internet - based trading facility for sub-brokers. The functioning of "netbranch" would be similar to the "ODIN CTCL" system, which is presently being offered to sub-brokers, except that the connectivity for netbranch will be through internet. The "netbranch" facility can be used for trading on NSE (Equities and Futures & Options segments) and the BSE (Equities segment) for clients.

The procedures in this regard are explained below:

**1. Codes for clients:**

- (i) The sub-brokers will use the 8-digit client codes for their clients (same as for ODIN CTCL).

<u>X X X X</u>	+	<u>X X X X</u>
ISS' sub-broker Code	+	Client Code

In case a client is already registered for trading through the ODIN CTCL system, the same code can be used for ISS's "Netbranch" facility.

While logging into ISS's "Netbranch", the sub-broker will be required to enter the first four digits which will be his sub-broker code.

**2. Placing of Orders:**

A sub-broker is required to earmark trading margins separately for "netbranch". Everyday, ISS shall be uploading the earmarked margins which will be treated as Available Funds for trading by the sub-broker. When the sub-broker places a buy order either for a client or for himself, the purchase value will be compared online with the Available Funds. If the Available Funds are sufficient to meet the buy order, only then will this order will be forwarded to the Exchange (NSE or BSE, as the case may be). The purchase value will be deducted from the Available Funds and the net balance will be available for further orders. In case any order is withdrawn / modified, there would be appropriate adjustments in the Available Funds.

**3. Contract Notes / Bills**

At the end of each trading day, ISS shall upload the trades done through netbranch into the I-BOS back office application along with ODIN CTCL trades and netprofit trades. All reports, such as contract notes / bills, etc. would be available through I-BOS.

**4. Pay-in/Pay-out of Funds and Securities**

There will be no change in the pay-in and pay-out of funds and securities from what is followed at present.

#### *Annual Fees for ISS's netbranch*

There will be an annual charge of Rs.2500/- (Rupees Two Thousand Five Hundred only) per **netbranch**, copy which is payable at the time of registering for this facility. There will be no change in the brokerage charges for trading done through **netbranch**, as compared to what is being charged through the ODIN CTCL facility. It is also informed that for **netbranch** facility, there would be no connectivity charges payable to ISS; the sub-broker would have to pay only internet access charges to his Internet Service Provider (ISP).

We request all our sub-brokers to use ISS's **netbranch** facility to expand their branch network to serve their clients better. We look forward your support and co-operation in popularizing ISS's **netbranch**.

You may contact the undersigned at [gchavan@iseindia.com](mailto:gchavan@iseindia.com) or Shri. Dashrath Kumbhar at [dashrathk@iseindia.com](mailto:dashrathk@iseindia.com) in case you need additional information.

**Yours faithfully,**

For **ISE SECURITIES & SERVICES LTD.,**

GOVIND S. CHAVAN

**Head, Market Operations**

#### **FAQS ON ISS'S NETPROFIT.IN**

**Q. How can the Client register for ISS's netprofit.in?**

- A. i) Client has to submit the internet trading agreement (tripartite) to the CRD dept. through the sub-broker.  
ii) Client should open a demat account in ISE DP.  
iii) Client should give a POA for debiting his/her demat account in ISE DP.

**Q. What are the brokerage rates charged by ISS to the sub-brokers for internet trading by their Clients?**

A. ISS shall be charging the following brokerage rates to the concerned sub-brokers which will be exclusive of NSE/BSE charges, stamp duty, service tax, STT and any other charges:

Capital market segment (NSE and BSE):

- (iii) Delivery business : Rs.35/- per Rs.1 lakh of traded value.
- (iv) Squaring up business (same day) : Rs.12.50 per Rs.1 lakh for each leg (purchase or sale)

**Q. What are the advantages of trading through ISS's netprofit.in.**

- i) Low cost connectivity.
- ii) Client can trade from any place.
- iii) For securities available with ISE DP, sale can be done freely upto the limit of available securities.
- iv) Buy Today, Sell Tomorrow (BTST) facility available.

**Q. How should the Client make the payment for internet trading?**

A. The Client should issue a cheque favouring ISE Securities & Services Ltd. which the sub-broker has to deposit in the branch bank account. Details of payment have to be updated by the sub-broker in the IBOS system. Credit balance in the ledger of the client will be considered as available deposit for trading purposes.

**Q. What is the minimum brokerage payable by an internet Client?**

A. Client will have to pay brokerage of Rs.500/- or the actual brokerage amount, whichever is higher. Further, the Client is required to maintain a deposit of Rs.500/- with ISS always as security deposit, until he/she finally withdraws from ISS.

**Q. How is ISS brokerage levied on the sub-broker for a Client who trades in ISS's netprofit.in and ODIN CTCL?**

A. In the case of a Client trading through ISS's netprofit.in and ODIN system, the concerned sub-broker will be charged at the rates applicable for internet trades.

**Q. Can the sub-broker transfer the deposit maintained with ISS for ODIN CTCL trading for an Internet Client?**

A. No. The sub-broker will have to withdraw the relevant amount from the ODIN CTCL deposit and then transfer the same to the account of the respective Client.

**Q. If the sub-broker carries out trading through ISS's netprofit.in and the CTCL system for the same client, will he get the trade details in same contract note?**

A. Yes



**ISE SECURITIES & SERVICES LTD.**

**CHECK LIST FOR ACTIVATION OF CLIENT**

**FOR INTERNET TRADING (Net profit)**

(To be filled in by the client)

1) NSE CM

2) BSE CM

3) NSE F & O

Date : \_\_\_\_\_

CRD Ref. No.: \_\_\_\_\_

Client Code. : \_\_\_\_\_

CRD Status: \_\_\_\_\_

Sub Broker /Remiser Name	
Clients Name	
Address Location at which the Internet Branch are to be installed.	
Pin Code & State /region	
Telephone & Fax No.	
E-MAIL ID	
Trading option Margin*, Delivery**, BTST ***, All the above	_____ _____ _____
Bank Name & Account number	
PAN Number	
ISE DP Account Number	
Signature of the Client	

\* **MARGIN**:-Under the margin trading , clients can trade only intra-day .It means clients net positions must be zero at the end of trading hours .If the client does not make his net position zero before 3.10 PM, System automatically allow position to squared up between 3.10 PM to 3.20 PM.

\*\* **DELIVERY**:-Under the delivery trading , clients can trade on the deliver of shares basis .It means at the end of trading hours client can create positions. Client will get benefit only if ha has ISS Beneficiary account and ISE DP account.

\*\*\* **BTST** (BUY TODAY SELL TOMMOROW):-Under the BTST trading client can buy today and sell to that particular scripts on next day . If next day the client does not make his net position zero before 3.10 PM System automatically allow position to squared up between 3.10 PM to 3.20 PM.

**(Details required to be filled in by the Registered Intermediaries ) [Net profit]**

I/We wish to opt. for the following option for Internet Trading

Option 1: I shall commit brokerage Rs.500/- per month.

Option 2: Please collect Rs.1500/- per annum towards yearly subscription fees.

**(Non Refundable.)**

I/We have deposited a cheque No. \_\_\_\_\_ dated \_\_\_\_\_ into the branch Bank A/c No. \_\_\_\_\_ and the voucher entry has done on the class/ IBOS Software by the Sub-broker.

Please note for both the above option the client has to make the payment upfront.

Internet Brokerage Table No. for the client	NSE TRD : _____ DEL _____ BSE TRD : _____ DEL : _____ F & O : _____
Ledger balance of the Branch as on. _____	NSE : Rs. _____ BSE : Rs. _____ F & O : Rs. _____
Client already trading in odin NSE BSE F&O	YES : <input type="checkbox"/> NO : <input type="checkbox"/>
If Yes ratio of margin allocation in Odin/Internet	NSE : _____ BSE : _____ F & O : _____
Sign and Seal of the Sub-broker.	

(On Rupees 100/- Stamp Paper)

INTERNET TRADING AGREEMENT

**THIS AGREEMENT** (hereinafter referred to as "this Agreement") is entered on this the \_\_\_\_\_ day of 20\_\_\_\_ by and between:

ISE SECURITIES & SERVICES LIMITED, a company incorporated under the Companies Act, 1956, having its registered office at International Infotech Park, Tower 7, 5<sup>th</sup> Floor, Vashi, Navi Mumbai – 400 703, (hereinafter referred to as "**the Stock Broker**", which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include its successors and assigns) of the One Part;

AND

\_\_\_\_\_ (name of the Sub-broker) (hereinafter referred to as "**the Sub-broker**"), a / an \_\_\_\_\_ (type of entity – individual / partnership firm / corporate) and having his / its office / registered office at \_\_\_\_\_

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

AND

\_\_\_\_\_ (name of the Client) [hereinafter referred to as "**the Client**", which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include (if the Client is an individual) his heirs, executors, administrators, legal representatives and permitted assigns, (if the Client is a partnership firm), the partners for the time being of the said firm, the survivors or survivor of them and their respective heirs, executors, administrators, legal representatives and permitted assigns, (if the Client is a company or other body corporate), its directors, successors and permitted assigns] of the Third Part,

**WHEREAS: -**

- (i) The Stock Broker is registered as the Stock Broker of the National Stock Exchange of India Limited (hereinafter referred to as "**NSE**") and the Bombay Stock Exchange Limited, (hereinafter referred to as "**BSE**") (collectively referred to as "**the Exchanges**"), and which is registered as a Stock Broker with Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") under Registration Number INB231077737 (in the Capital Market Segment of NSE), INF231077737 (in the Futures and Options Segment of NSE) and INB011077733 (in the Equities Segment of BSE);
- (ii) The Sub-broker:
  - a) is recognized by NSE / BSE / the Exchanges {Name(s) of the stock exchange(s)} as a Sub-broker affiliated to the Stock Broker bearing SEBI Sub-broker Registration Number(s) \_\_\_\_\_ and \_\_\_\_\_.
  - b) is not affiliated to any other Stock Broker on NSE / BSE / the Exchanges,
  - c) has the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge his/its activities.
- (iii) The Client is registered with the Stock Broker / Sub-broker as a client for the purpose of availing broking services through the Sub-broker affiliated to the Stock Broker and is desirous of investing / trading in those securities / contracts / other instruments admitted to dealings on NSE / BSE / the Exchanges as defined in the Rules, Bye-laws and Regulations of the said stock exchanges and circulars issued thereunder from time to time. A copy of the Client Registration Form is annexed hereto.
- (iv) The Stock Broker offers and / or proposes to offer the Stock Broker's Services to its clients and the said Client desires to avail Stock Broker's Services offered by the Stock Broker for interalia, purchasing, selling or otherwise dealing in securities;
- (v) The Client has satisfied himself / itself of the capability of the Stock Broker to deal in securities and offer the Stock Broker's Services and wishes to execute his / its order through the Stock Broker; and the Client shall continue to satisfy himself / itself of such capability of the Stock Broker to deal in securities before executing orders through it;
- (vi) The Stock Broker has, on the basis of information furnished by the Client and other information (if any) considered relevant by the Stock Broker, satisfied itself, and shall continuously be entitled to satisfy itself, about the genuineness and financial soundness of the Client and investment objectives relevant to the services to be provided;
- (vii) The Stock Broker has taken steps and shall take steps to make the Client aware of the precise nature of the Stock Broker's / Sub-broker's liability for business to be conducted, including any limitations, liability and capacity in which the Stock Broker / Sub-broker acts;
- (viii) The Stock Broker, Sub-broker and Client desire to enter into this Agreement in order to record the agreement between them relating to the Stock Broker's and Sub-broker's service to be availed of by the Client;
- (ix) The Stock Broker hereby undertakes to maintain the details of the Client as mentioned in the Client Registration Form or any other information pertaining to the Client in confidence and that he shall not disclose the same to any person / entity except as required under the law; provided however that the Stock Broker shall be allowed to share the details of the Client as mentioned in the Client Registration Form or any other information pertaining to the Client with parties / entities other than those required under law with the express permission of the Client.

**THE PARTIES HERETO AGREE AS UNDER:****1. DEFINITIONS & INTERPRETATION:**

In this Agreement, unless repugnant to the context or meaning thereof, (i) words and expressions defined in **Annexure 1** shall have the meaning assigned thereto and (ii) the principles of interpretation set out in **Annexure 1** shall apply to this Agreement.

**2. AGREEMENT TO PROVIDE AND AVAIL STOCK BROKER'S SERVICES:**

2.1 On and subject to the terms and conditions of this Agreement, the applicable provisions of NSE / BSE / the Exchanges (where applicable), the terms specified in the Stock Broker's website and the terms of the contract to be entered into and / or the contract note, if any, to be issued by the Stock Broker to the Client;

- (i) The Stock Broker agrees to provide the stock broking service to the Client.



- (ii) The Sub-broker agrees to provide sub-broking service to the Client; and  
(iii) The Client agrees to avail of the services provided by the Stock Broker and the Sub-broker.
- 2.2 Based on the Account Application submitted by the Client, the Stock Broker may open a client account in the name of the Client. This Agreement shall become effective only upon the Stock Broker opening such Client Account. The Client is aware and agrees that the mere execution and / or acceptance of this Agreement by the Stock Broker does not oblige the Stock Broker to open a Client Account.
- 2.3 The Client confirms that he / it has read, understood, appreciated and signed the Risk Disclosure Document appended hereto and understands the trading process and risks involved in the purchasing, selling and trading of securities (including entering into various derivative contracts), whether such risks are contained in the Risk Disclosure Document or not and the Client is fully responsible for his / its dealings in the securities.
- 2.4 The Client confirms that he / it has read and understood and agrees that he / it shall from time to time regularly continue to read and understand the NSE / BSE / the Exchanges' provisions, terms and conditions and also the relevant provisions put up on the Stock Broker's Website.
- 2.5 The Client is aware of and agrees that in the course of transacting on NSE / BSE / the Exchanges, the Stock Broker / Sub-broker will be acting as an agent of the Client, unless otherwise disclosed by the Stock Broker / Sub-broker to the Client.
- 2.6 The Client hereby authorizes the Stock Broker / Sub-broker to take all such steps on the Client's behalf as may be required or advisable in the Stock Broker's / Sub-broker's opinion for compliance with the provisions of NSE / BSE / the Exchanges or any other law or provisions or to complete or settle any transactions entered into through or with the Stock Broker or executed by the Stock Broker on behalf of the Client. However, nothing herein shall oblige the Stock Broker to take such steps.
- 2.7 Notwithstanding anything stated elsewhere in this Agreement, the Stock Broker may at any time in its sole discretion, prohibit or restrict the Client access to the Stock Broker's website or services and the Client's ability to trade, without any prior notice and without assigning any reasons whatsoever.
- 2.8 Without limitation to other obligations of the Client, the Client shall deposit with the Stock Broker, monies, securities or other properties which may be required to open and / or maintain the Client Account and / or the Client's Associated Account.
- 2.9 The Client agrees to immediately notify the Stock Broker / Sub-broker in writing if there is any change in the information provided by the Client to the Stock Broker / sub broker at the time of opening of the Client Account or at any other time.
- 2.10 **Sharing of information:** The Client agrees to immediately furnish information to the Stock Broker in writing if any winding up petition or insolvency petition or order has been filed or passed against him / it or any garnishee order has been served upon him / it or in respect of obligations by a bank or any other person, or if any litigation has been filed against him / it or if any order, decree or award is passed against him / it. Similarly, the Stock Broker agrees to inform the Client immediately about the contract specifications, associated obligations and daily settlement position in which the Client has an interest. The Stock Broker will also inform the Client in the case of a futures contract or relevant index in which the Client has a position through the Stock Broker, the extent of the Client's daily obligations.
- 2.11 The Client agrees and declares as follows: (i) The Client shall be wholly responsible for all investment decisions and trades of the Client; (ii) The Client will pay or receive applicable daily margins; (iii) Payment of margins by the Client does not necessarily imply complete satisfaction of all dues; (iv) In spite of consistently having paid margins, the Client may, on the closing of his trade, be obliged to pay (or entitled to receive) such further sums as the market price of an instrument or contract may dictate; and (v) 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 the derivatives segment.
- 2.12 **Exposure Limits:** The Client agrees to abide by the exposure limits, if any, set by the Stock Broker or by NSE / BSE / the Exchange(s) or SEBI from time to time.
- 2.13 **Segregation of Client money:** Unless otherwise authorised by the Client and subject to any applicable provisions of NSE / BSE / the Exchanges, the Stock Broker shall keep the money deposited by the Client in a separate ledger account, distinct from the Stock Broker's own ledger account. The Stock Broker will not use the Client's money for itself or for any purpose other than the purpose(s) mentioned by the Client.
- 2.14 Where a transaction is effected or to be effected on a stock exchange, the Stock Broker and the Client shall be bound by that stock exchange's provisions.
- 2.15 The Sub-broker will provide assistance to Stock Broker and Client to reconcile their accounts at the end of each quarter with reference to all the settlements where pay-out have been declared during the quarter.
- 2.16 The Stock Broker shall issue individually for each client of the Sub-broker, contract notes in the format prescribed by the Stock Exchanges. The Sub-broker shall render necessary assistance to his Client in obtaining the contract notes from the Stock Broker.
- 2.17 The Stock Broker and the Sub-broker hereby agree that all transactions in securities on behalf of the Client shall be settled by delivery and / or payment, between the Stock Broker and the Client in accordance with the provisions of the Rules, Bye-laws and Regulations of the stock exchange on which the transactions took place and subject to the procedures for settlement of transactions as may be laid down by the said stock exchange from time to time.
- 2.18 Information about default in payment / delivery and related aspects by a Client, including that by a Sub-broker when functioning as a Client, shall be brought to the notice of the concerned stock exchange by the Stock Broker. In case the defaulting Sub-broker / Client is a corporate entity / partnership firm / proprietary firm or any other artificial legal entity, then the name(s) of director(s) / promoter(s) / partner(s) / proprietor as the case may be, shall also be communicated to the concerned stock exchange by the Stock Broker.
- 2.19 In the event of the Sub-broker terminating this Agreement and / or termination of the Agreement with the Sub-broker by the Stock Broker, for any reason whatsoever, the Client shall be informed of such termination and the Client shall be deemed to be the direct Client of the Stock Broker and all clauses in this agreement governing the Client and the Stock

Broker shall continue to be in force as it is, unless the Client intimates to the Stock Broker of his / its intention to terminate the Agreement by giving a notice in writing of not less than one week.

- 2.20 The Client agrees to immediately notify the Stock Broker / Sub-broker in writing if there is any change in the information in the 'Client Registration Form' provided by the Client to the Stock Broker / Sub-broker at the time of opening of his / its account or at any time thereafter.
- 2.21 In addition to the specific rights set out in this agreement, the Stock Broker, the Sub-broker and the Client shall be entitled to exercise any other rights which the Stock Broker, Sub-broker or the Client may have under the Rules, Bye-laws and Regulations of the concerned stock exchange and Circulars issued thereunder or Rules and Regulations of SEBI.
- 2.22 The Client, Sub-broker and the Stock Broker agree that they will not deal in any cash transaction except in extreme emergency / exceptional circumstances, subject to acceptance of all the parties to the transaction and the statutory provisions applicable in this regard.
- 2.23 **CLIENT REGISTRATION FORM:** The Sub-broker shall ensure that the Client fills the Client Registration Form and submits the relevant documents and completes other related aspects as mentioned in the Client Registration Form which is annexed to this Agreement. The Sub-broker shall forward the duly completed Client Registration Form to the Stock Broker along with this Agreement.
- 2.24 **SHORTAGES:** The Client is aware that in case of purchase of securities by him / it, the Stock Broker may at times be unable to deliver the securities to the Client on the normal pay-out day due to non-receipt of the securities from the stock exchange or from other clients of the Stock Broker who may have sold the said securities. In such a case, the securities shall be delivered to the Client as per the Business Rules formulated by the Stock Broker from time to time.
- 2.25 **CLIENT'S AUTHORISATION:** The Client authorizes the Stock Broker, should the Stock Broker deem it necessary, to buy, sell or close out any part or all of the trades done by the Client in his / its account with the Stock Broker. Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker or the Sub-broker and / or any other individual, partnership firm, corporation, company, organization, association, trust or other entity acting for or on behalf of the Stock Broker in such purchase, sale or close-out transactions, shall be re-imbursed by the Client or charged to or borne by the Client or deducted by the Stock Broker from the monies and / or collaterals / margins of the Client available with the Stock Broker.

### **3. ASSOCIATED BANK ACCOUNTS**

- 3.1 At all times during the subsistence of this Agreement and thereafter until all obligations of the Client to the Stock-broker have been fulfilled, the Client may be required to maintain one or more Associated Bank Accounts and one or more Associated Depository Accounts for the purpose of facilitating the trading and settlement of Clients transactions pursuant to this Agreement.
- 3.2 The Client shall at all times be the sole holder or one of the joint holders of the Associated Bank Account; provided that where an Associated Account is a joint account, the Stock Broker shall have the right to require that the Client to be the first joint account holder.
- 3.3 Forthwith after the execution of this Agreement the Client shall deliver to the designated bank and to the Stock Broker, powers of attorney and instructions in the Stock Broker's prescribed format, executed by the Client and all other joint holders (if any) of the Associated Accounts, inter alia, designating such accounts as Associated Accounts, confirming and agreeing to the matters stated therein and authorising the Stock Broker and / or the Designated Bank to operate the Associated Accounts and for other purposes as more particularly stated in such powers of attorney.
- 3.4 The abovementioned powers of attorney and instructions shall be irrevocable. In case of death, disability, dissolution, winding up or liquidation of any donor of any of the powers of attorney, the Client (or in case of the Client's demise, disability, etc., the Clients legal representatives) shall forthwith inform the Stock Broker and the Designated Bank of the same in writing. The powers of attorney and instructions shall not be revoked but shall continue to subsist and bind (and shall be deemed to have been given by) the heirs, executors, administrators or legal representatives of such donor and the Designated Bank and the Stock Broker shall be entitled to continue to act on the basis thereof.
- 3.5 If the Stock Broker so requires, the Client, the joint holders and their respective heirs, executors, administrators or legal representatives shall be obliged to from time to time to execute fresh powers of attorney and instructions in the format prescribed by the Stock Broker.
- 3.6 The Client and / or the joint holders (if any) of any Associated Account shall not directly or indirectly operate or give instructions in respect of any Associated Account which would prejudice the Stock Broker's rights hereunder or the authority of any powers of attorney or which would be contrary to the provisions of this Agreement or any instruction given by the Client and / or the joint holders (if any) or any acts by the Designated Bank pursuant to a powers of attorney.
- 3.7 The Client may, with the prior written consent of the Stock Broker, change or substitute an Associated Account from time to time. In such event the Client and the other joint holders, if any, of such new Associated Account shall execute fresh powers of attorney and instructions in the format prescribed by the Stock Broker reflecting therein the change in the Associated Account and the provisions of this Agreement relating to Associated Accounts shall apply also to such new Associated Accounts.

### **4. USER NAME AND PASSWORD**

- 4.1 The Client will be entitled to a User Password, User Identification Number, or other identification or security code (by whatever name called) which will enable him / it to access the Stock Broker's system or service through the Stock Broker's website or in such other manner as may be permitted by the Stock Broker for availing the service.
- 4.2 The Client is aware that the Stock Broker's system itself generates the initial password, and passes on the password to the Client. The Client agrees and undertakes to immediately change his / its initial password upon receipt thereof. The Client is aware that subsequent passwords are not known or available to the Stock Broker.
- 4.3 The Client acknowledges that he is fully aware of and understands the risks associated with availing the service of the Stock Broker for routing orders over the internet or the telephone line including the risk of misuse and unauthorised use of his Username, Password and User Identification Number by a third party and the risk of a person hacking into the Client's account on the Stock Broker's system and unauthorisedly routing orders on behalf of the Client through the system. The

Client accepts full responsibility for the Client's accounts and agrees that he / it shall be fully liable and responsible for any and all unauthorised use and misuse of his Password, Username and User Identification Number and also for any and all acts done by any person through the Stock Broker's system on the Client's Username in any manner whatsoever. The Client is aware that the Stock Broker is agreeable to offer the facility of transmitting orders and instructions over the internet and telephone line only if the Stock Broker is not required to bear and only if the Client agrees to bear, the risk, responsibility and liability of such misuse or unauthorised use. The Client is also aware that he / it has the option of not availing such facility / service from the Stock Broker. However, being fully aware of all risks, the Client desires the convenience of such facility of transmitting orders and instructions over the internet or telephone line and has therefore opted for such facility of his / its own free choice and is willing and agreeable to bear all the associated risks, responsibility and liability.

- 4.4 The Client shall be responsible for keeping the Username, User Identification Number 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 system using the Client's Username, Password and User Identification Number whether or not such person was authorised to do so or not. The Client shall ensure that he / it is the only authorised user of the Username, Password and User Identification Number and that every order entered into the order routing system is the Client's own order or instruction or that of the Client's duly authorised representative. The Client will be fully responsible and liable for and will pay or reimburse to the Stock Broker on demand, all costs, charges, damages and expenses incurred by the Stock Broker as a consequence of access and / or use of the Client's account or Stock Broker's system by any third party using the Client's username, Password and / or User Identification Number.
- 4.5 The Client shall immediately inform the Stock Broker of any unauthorised use of the Client's Username, Password and / or User Identification Number, with full details of such unauthorised use including the date of such unauthorised use, the manner in which it was unauthorisedly used and the transactions effected pursuant to such unauthorised use. Notwithstanding the aforesaid, the Client shall be fully responsible and liable for such unauthorised use and the consequences arising out of such unauthorised use.
- 4.6 The Client shall log off from the Stock Broker's service at any time when the Client is not accessing or using the service and any liability incurred by the Client or devolving on the Client as a consequence of the Client not logging off the service shall be borne solely by the Client.
- 4.7 Without prejudice to the provisions of the aforesaid clauses, the Client shall immediately notify the Stock Broker in writing with full details if:
- (i) he / it discovers or suspects unauthorised access through his Username, Password and User Identification Number or account.
  - (ii) he / it notices discrepancies that might be attributable to unauthorised access.
  - (iii) he / it forgets his Password.
  - (iv) he / it discovers a security flaw in the Stock Broker's system, or
  - (v) he / it does not on the same day as the execution of an order by the Stock Broker, receive a message from the Stock Broker indicating that the order has been received or executed; he / it does not receive an accurate written confirmation of an execution; or receive confirmation of an order and / or execution which he / it did not place; or receive inaccurate information in Client Account balances, securities positions or transaction history.
- 4.8 In any of the above events specified in Clause 4.7, the Client shall immediately change his Password. However, if the Client is unable to change his Password by reason of his having forgotten his Password or having it unauthorisedly changed by some other person or for any other reason, then the Client shall immediately request the Stock Broker in writing to discontinue the use of the Client's old Password and the Stock Broker's system shall generate a new Password for the Client which shall be communicated to the Client. At no point of time shall the Stock Broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the Password and the Client shall be liable and responsible for the same.
- 4.9 The Client agrees that any orders, instructions and communications given or made by the Client or the Stock Broker by electronic mail, fax or other electronic means shall be admissible as evidence and shall be final and binding evidence of the same.
- 4.10 The use and storage of any information including, without limitation, the Password, portfolio information, transaction activity, account balances and any other information or orders on the Client's personal computer is at the Client's own risk and is the Client's sole responsibility.

## 5. **ORDER ROUTING AND EXECUTION**

The Client shall transmit his / its orders to the Stock Broker only in the following manner: (i) through the internet over the Stock Broker's website; or (ii) in such other manner as the Stock Broker may permit.

As a precondition for execution of a purchase, subscription or other order by the Client which involves payment of the funds by the Client, the Stock Broker may in its sole discretion:

- (i) Require the Client to maintain, at the time of order placement by the Client, Available Funds Balance in the Client's account with the Stock Broker in the Associated Bank Account(s) for the full value of the order plus any brokerage, service tax, transaction charges, associated costs and such mark-up as the Stock Broker may determine ; and / or
  - (ii) Require the Client to instruct the Designated Bank to block the whole or a portion of the balance in one or more Associated Accounts in order to secure the payment of the purchase price of securities purchased or to be purchased by the Client or other amount payable by the Client on execution of the order, the other amounts mentioned in (i) above and / or the payment or performance of any other than current or possible future dues or other obligations of the Client; and /or
  - (iii) Require the amount of margin prescribed by the Stock Broker to be available in the Client's margin account, if any, with the Stock Broker;
- 5.3 As a precondition for execution of a sale or redemption order or other order involving the delivery of any securities or instrument by the Client, the Stock Broker may in its sole discretion:
- (i) Require the Client at the time of order placement by the Client to maintain an Available Stock Balance in the Associated Depository Account(s) and / or in the Stock Broker's own depository account or place the relevant securities or instrument in the Stock Broker's custody and control in such manner as the Stock Broker may prescribe

and also maintain funds required for margin, if any, determined by the Stock Broker in the Client's account with the Stock Broker and / or in the Associated Bank Account(s); and / or

- (ii) Require the Client to instruct the Designated Bank to block the whole or a portion of the cash and / or securities balance in one or more Associated Accounts in order to secure the delivery of any securities sold, redeemed or proposed to be sold or redeemed by the Client, the payment of margin and / or the payment or performance of any other then current or possible future dues or other obligations of the Client and / or
  - (iii) Require the amount of cash margin prescribed by the Stock Broker to be available in the Client's margin account, if any, with the Stock Broker.
- 5.4 Without prejudice to the above, as a precondition for execution of an order for writing an Options Contract or selling an Options Contract so as to create an Open Position and / or entering into a Futures Contract and / or entering into any contract for lending any sum of money or any securities on behalf of the Client, the Stock Broker may in its sole discretion:
  - (i) Require the Client to maintain at the time of order placement by the Client, an Available Funds Balance and / or an Available Stock Balance in the Associated Depository Account(s) and / or in the Stock Broker's own depository account and / or in the Client's account with the Stock Broker and / or in the Associated Bank Account(s) of such amount as the Stock Broker may specify, plus any brokerage, service tax, transaction charges, associated costs and such mark-up as the Stock Broker may determine; and / or
  - (ii) Require the Client to instruct the Designated Bank to block the whole or a portion of the balance of cash or securities in one or more Associated Depository Accounts in order to secure the payment of margin and / or the amount payable or securities deliverable in the event of exercise of the Options Contract and / or performance of the Futures Contract and / or in the event of termination or performance of the lending contract (as the case may be), the other amounts mentioned in (i) above and / or the payment or performance of any other then current or possible future dues or other obligations of the Client; and / or
  - (iii) Require the amount of margin prescribed by the Stock Broker to be available in the Client's margin account, if any, with the Stock Broker.
- 5.5 The Stock Broker shall be entitled to offset the purchase price of a purchase order / transaction against the proceeds of a sale transaction executed by the Client through the Stock Broker, and vice versa.
- 5.6 On the day of placement of any order and / or any day thereafter, the Stock Broker in its discretion, shall be entitled to instruct the Designated Bank to and pursuant to the aforesaid instructions of the Stock Broker and / or the powers of attorney mentioned above and the Designated Bank shall be entitled to, inter alia, block, debit and / or transfer the whole or a portion of the balance in or from one or more Associated Accounts in order to secure or effect in favour of the Stock Broker the payment of the purchase price of Securities purchased or to be purchased by the Client, the delivery of any Securities sold or proposed to be sold by the Client, the payment of any amount or delivery of any Securities in the event of exercise of an Options Contract and / or the performance of a Futures Contract, which contract(s) have been entered into on behalf of the Client, the payment of any amount or delivery of any Securities for the purpose of any lending or investment or for any purpose in connection with the Stock Broker's services and / or the payment or performance of margin and any other then current or possible future dues or other obligations of the Client. In addition, the Stock Broker shall be entitled to at any time give such instructions to the Designated Bank as the Stock Broker may think fit and proper for securing the Stock Broker's rights and interests or for the payment or delivery of any amount or Securities which are then or may thereafter become payable or deliverable by the Client to the Stock Broker and the Client agrees that the Designated Bank shall give effect to such instructions pursuant to the aforesaid powers of attorney or otherwise and the Client shall not do or omit to do anything which may prevent the Designated Bank from acting on the Stock Broker's instructions.
- 5.7 The Client agrees that:
  - (i) instructions given by the Stock Broker to the Designated Bank to block funds or Securities or debit or transfer from an Associated Account in connection with a transaction entered into or to be entered into by the Client with or through the Stock Broker will be given first priority over any prior or subsequent other instructions or cheques given or issued by the Client or any joint holder by itself or through any other attorney,
  - (ii) funds or securities once blocked on the instructions of the Client or the Stock Broker in connection with a transaction entered into or to be entered into by the Client with or through the Stock Broker can be released only with or through the Stock Broker and can be released only with the express written consent of the Stock Broker to the Designated Bank or Designated Depository Participant, as the case may be ; and
  - (iii) if the Client or the Stock Broker has given any blocking, holding debit or other instructions in respect of any Securities or money in any Associated Account in connection with a transaction entered into or to be entered into by the Client with or through the Stock Broker and the Designated Depository Participant or the Designated Bank receives transfer, debit or other instructions in respect of such Securities or money from the Client or any other person, then the Designated Depository Participant or the Designated Bank shall first give effect to the first-mentioned instructions and shall also transfer the concerned Securities and money to the Stock Broker's account.
- 5.8 Unless the Stock Broker otherwise determines, all orders for purchase, sale or other dealings in Securities and other instructions routed through the Stock Broker's system via the Client's Username shall be deemed to have been given by the Client.
- 5.9 When placing an order, the Client shall indicate the stock exchange on which he desires that the order should be executed.
- 5.10 The Client understands that placing an order with the Stock Broker, including a market order, does not guarantee execution of the order.
- 5.11 The Stock Broker shall not be deemed to have received an order unless and until it has actually received the order in the order-receiving module of the Stock Broker's system. The Client shall not be entitled to presume that any order transmitted by the Client has been received by the Stock Broker until the Stock Broker has confirmed receipt of such order. However, due to technical or other factors, an order which has been received by the Stock Broker may not be immediately confirmed to the Client. Such delay in confirmation shall not entitle the Client to presume that the order has not been received by the Stock Broker and the principle stated in the first sentence of this clause shall apply.

- 5.12 The Client shall be allowed to trade during Trading Hours. However, the Stock Broker / Sub-broker may agree to receive orders even outside Trading Hours. The Stock Broker / Sub-broker may accumulate orders received outside Trading Hours and execute such orders when the NSE / BSE next opens for trading.
- 5.13 All orders received by the Stock Broker / Sub-broker through System may be executed in good faith and shall be valid until separately cancelled in accordance with the provisions of this Agreement.
- 5.14 The Client agrees to ensure that all orders and instructions which the Stock Broker receives from the Client are absolutely clear and unambiguous; and the Client agrees that if any instructions or orders or any details thereof are not absolutely clear and unambiguous, the Stock Broker, its employee or authorised representative shall be entitled to interpret the same as per its / his understanding and such understanding and interpretation shall be treated as final.
- 5.15 The Client understands and agrees that with respect to a market order or any other order, the Client will receive the price at which the Client's order is actually executed by the computer system of the concerned stock exchange; and such price may be different from the price at which the security is trading when the Client's order is entered into the System or received by the Stock Broker.
- 5.16 The Stock Broker may from time to time in its discretion impose and vary limits on the orders and trades which the Client can place and enter into through the Stock Broker's system (including exposure limits, turnover limits, limits as to the number, value and / or kind of Securities in respect of which orders can be placed, the companies in respect of whose Securities orders can be placed, etc.). The Stock Broker may choose not to intimate the Client of the limits and any variation thereof. The Client is aware and agrees that the Stock Broker may need to urgently vary the limits or impose new limits or prohibit or restrict the Client's ability to place orders or trade in Securities through the Stock Broker on the basis of the Stock Broker's risk perception and other factors considered relevant by the Stock Broker, and the Stock Broker may not inform the Client of the same. The Client agrees that the Stock Broker shall not be responsible or liable for the Client's inability to place any order or enter into any transaction on account of any such variation, imposition, restriction or prohibition.
- 5.17 The Stock Broker shall have the right to refuse to accept the whole or a part of any orders or instructions from the Client and / or refuse to execute the whole or part of any accepted orders or instructions without providing any reasons therefor. In particular, the Stock Broker may refuse to accept or execute the whole or part of any order or instruction:- (i) based on the Stock Broker's risk perception; or (ii) in respect of which the Client requires regulatory approval, even if the Client has sought and obtained the required regulatory approvals.
- 5.18 The Client shall be responsible for obtaining and complying with all applicable legal and regulatory approvals in respect of the Client's orders, instructions and transactions at his / its cost, and the Stock Broker shall not be liable or responsible for any failure or default in respect thereof.
- 5.19 Though orders will generally be routed to the stock exchange's computer systems within a few seconds from the time the order is placed by the Client on the Stock Broker's System, the Stock Broker shall not be liable for any delay in the execution of any order for any reason whatsoever or for any resultant loss on account of the delay.
- 5.20 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.
- 5.21 The Stock Broker may in its discretion at any time allow or disallow margin trading by the Client. For this purpose, without prejudice to the provision of Clause 7 below, the Stock Broker shall be entitled to from time to time require the Client to deposit such amounts and Securities as margin as the Stock Broker may, in its sole discretion determine. The Client shall ensure that his / its Outstanding Positions do not exceed the limits specified by the Stock Broker and are squared off within such period as specified by the Stock Broker. The Stock Broker shall also be entitled to, at any time, without any notice to the Client and without assigning any reason, square off any Outstanding Position of the Client arising out of such margin trading, in the manner provided in Clause 6.8 below. In particular, and without prejudice to the above, in the event the Outstanding Positions of the Client are not squared off by the Client within the period specified by the Stock Broker, then without prejudice to the other rights of the Stock Broker (including the right to square off any Outstanding Position(s) of the Client), the Client shall deliver such funds and Securities to the Stock Broker as the Stock Broker may require to enable the Stock Broker to secure and/or fulfill the Outstanding Positions of the Client or the potential exposure therefrom.
- 5.22 The Client agrees that the Client alone shall be responsible and liable for all transactions executed by the Stock Broker under or pursuant to the terms of this Agreement and / or the power(s) of attorney.
- 5.23 Without prejudice to the other provisions of this Agreement and subject to the provisions of NSE / BSE / the Exchanges and applicable law so permitting, all or any Securities purchased by the Stock Broker on behalf of the Client may be held in the name of the Stock Broker or in the joint names of the Stock Broker and the Client or in the / any Associated Account or in such other manner as may be determined by the Stock Broker.
- 5.24 The instructions issued by an authorised representative, if any, of the Client shall be binding on the Client in accordance with the letter authorising the said representative to deal on behalf of the said Client.

## **6. TRANSACTIONS AND SETTLEMENTS:**

- 6.1 The Client's orders, instructions, contracts and transactions entered into pursuant thereto and the settlement thereof will be in accordance with the provisions of NSE / BSE / the Exchanges (wherever applicable). The Client shall be responsible for paying and delivering to the Stock Broker the required funds or Good Delivery Securities within such time as the Stock Broker may specify for fulfillment of the Client's payment and delivery obligations. If the Client fails to deliver to the Stock Broker any Securities that:
- (i) have been sold by or for the Client; or
  - (ii) are required to be delivered by or for the Client pursuant to the obligations under the terms of any other contract or arrangement;

when required by the Stock Broker, then the Stock Broker shall be entitled (but not bound to), in its own discretion and at the risk and cost of the Client, borrow or otherwise obtain the Securities necessary to enable the Stock Broker to make delivery.

- 6.2 The Client agrees that unless the Stock Broker otherwise permits, all orders for the purchase and / or sale of Securities shall result in delivery of Securities for a sale trade or payment for purchase transactions; provided that in respect of orders relating to Options and / or Futures Contracts, payment or delivery of Securities shall be in accordance with the terms of the concerned Options / Futures Contract(s).
- 6.3 The Client agrees that the Stock Broker shall not be obliged to deliver any Securities or pay any money to the Client unless and until the same has been received by the Stock Broker from the stock exchange(s), the Clearing Corporation / House or the concerned mutual fund or other company or entity liable to make payment. Unless the Stock Broker otherwise determines, and subject to the Stock Broker's rights of set off and other rights, the Securities to be delivered by the Stock Broker to the Client pursuant to the Client's purchase transactions shall be delivered by the Stock Broker to an Associated Depository Account and sale proceeds to be paid by the Stock Broker to the Client shall be credited to an Associated Bank Account.
- 6.4 The Stock Broker may effect a short delivery to the Client, inter alia, where (i) the counter-party, being the seller(s) in the respective transactions, deliver(s) short to the stock exchange; and (ii) the stock exchange is not able to buy-in the Securities falling short on behalf of the defaulting party and therefore closes out the transaction as per the provisions of the concerned stock exchange.
- 6.5 The Stock Broker shall have the right to allocate Securities and money among the Client and other clients of the Stock Broker in a manner and form that the Stock Broker deems fit where (i) the Stock Broker has net purchase obligation in respect of the Client and other clients, but receives a short delivery and (ii) where applicable the stock exchange is only able to partly deliver the same in auction and partly close out the Securities falling short on behalf of the defaulting party.
- 6.6 The Client shall not, acting alone or in concert with others, directly or indirectly, hold and / or control Futures Contracts in excess of the permitted number as fixed from time to time by the stock exchanges.
- 6.7 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 Futures Contracts in excess of the permitted number as may be fixed from time to time by the stock exchanges.
- 6.8 The Stock Broker may (but not be bound to) in its discretion and at the Client's risk and cost at any time, square-off all or any Outstanding Positions of the Client in such manner as the Stock Broker thinks fit and without any prior notice to or approval of the Client. The Client shall bear and pay the losses arising from such squaring-off. In particular, and without prejudice to the generality of the above:-
- (a) If the Client has entered into a Short Sale or a Long Purchase, then the Stock Broker shall be entitled to, at any time before the Client has squared-off his Short Sale or Long Purchase position, square-off and / or carry forward the whole or part of the Short Sale or Long Purchase position on any day, at any place and in any manner as the Stock Broker thinks fit, or permit the NSE / BSE to close out or auction such position; and the aforesaid shall be at the Client's risk and cost.
  - (b) In the event of death or insolvency of the Client or his otherwise becoming incapable of receiving, paying for, delivering or transferring Securities bought or sold by him / it, the Stock Broker may close out the whole or part of all or any of the Client's Outstanding Positions and the Client or his legal representative shall be liable for any losses and costs of such squaring-off and shall be entitled to any surplus which may result therefrom.
  - (c) If the Client has been permitted to do margin trading, the Stock Broker shall be entitled to square-off the Client's Outstanding Position, inter alia, where in the Stock Broker's opinion, the mark-to-market loss has breached or may breach the margins available with the Stock Broker, where the margin or security placed by the Client and available with the Stock Broker falls short of the Stock Broker's requirement, where any limit given to the Client has been breached or where the Client has defaulted on any existing obligation.
  - (d) Without prejudice to the Stock Broker's other rights (including the right to refer a matter to arbitration), the Stock Broker shall be entitled to liquidate / close out all or any of the Client's positions for non-payment of margins or other amounts, outstanding debts, etc. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the Client.
  - (e) The Client hereby authorizes the Stock Broker to, at the Stock Broker's discretion, should the Stock Broker deem it necessary for the Stock Broker's own protection, to buy, sell or close out any part or all of the derivative contracts held in the Client's account with the Stock Broker. Any or all such incidental expenses incurred by the Stock Broker will be reimbursed by the Client.
- 6.9 The Stock Broker shall have the right to retain and / or set off any amounts payable to the Client against any present or future receivables from the Client (whether accrued or contingent).
- 6.10 All Securities and money in the Associated Accounts or with the Stock Broker or with the Designated Bank or Designated Depository Participant relating to the Client's account (whether solely or jointly with another or others) shall be subject to a lien for the discharge of any and all then current or future indebtedness or any other obligation (including contingent indebtedness or obligation) that the Client may have to or through the Stock Broker and the same may be held by the Stock Broker as security for the discharge thereof.
- 6.11 In enforcing its set off, lien and / or other rights, the Stock Broker may, in its sole discretion, determine which Securities are to be sold or appropriated, which account is to be debited or which contracts are to be closed.
- 6.12 The Stock Broker shall continue to be responsible for replacing bad deliveries of the Client in accordance with applicable "Good & bad delivery norms" even after termination of the agreement and shall be entitled to recover any loss incurred by him in such connection from the Client.

## **7. MARGINS**

- 7.1 The Client agrees and undertakes to immediately deposit with the Stock Broker such cash, securities or other acceptable security which the Stock Broker may in its own discretion from time to time require as margin. The Client agrees that the Stock Broker shall be entitled to require the Client to deposit with the Stock Broker a higher margin than that prescribed by the stock exchanges. The Stock Broker shall also be entitled to require the Client to keep permanently with the Stock Broker a margin of a value specified by the Stock Broker as long as the Client desires to avail the Stock Broker's services. For this purpose, the Stock Broker shall be entitled to, at any time, without any notice to the Client, appropriate and / or sell

and / or instruct the Designated Depository Participant to sell and/or transfer all or any Securities or money in the Client's Account and / or any Associated Account and / or the proceeds thereof.

- 7.2 The Client is liable to pay an initial margin up-front on or before creating a position in any derivative contract. Such margin shall be decided by the Stock Broker from time to time. Furthermore, the Client is liable to pay (or receive) daily margins depending on whether the price of the derivatives contract moves for or against the position undertaken. The Sub-broker shall ensure that the Client also pays withholding margins, special margins or such other margins as are considered necessary by the Stock Broker or the stock exchange from time to time. The Stock Broker is permitted in its sole and absolute discretion to collect additional margins (even though not imposed by the stock exchanges, the Futures and Options Segment of NSE, any other segment of any stock exchange, the Clearing House(s), Clearing Corporations of NSE / BSE and the Client shall be obliged to pay such margins.
- 7.3 The Sub-broker and the Client hereby agree that the Stock Broker shall be entitled to charge interest at such rate as may be determined by the Stock Broker in its sole discretion on the debit balance in the collateral / margin and settlement account of the Client with the Stock Broker. Without prejudice to the foregoing, the Stock Broker shall be entitled to refuse execution of any orders of the Client until such time as the Client has deposited adequate collaterals / margins or funds into the collateral / margin account or settlement account, as the case may be, to the satisfaction of the Stock Broker. The Client agrees that except for the first and exclusive interest created by the Client in favour of the Stock Broker, without the prior written consent of the Stock Broker, the Client shall not cause and / or allow any collaterals / margins or funds or securities deposited with the Stock Broker to be or become the subject matter of any lien or pledge or encumbrances of any nature whatsoever with any other person or entity.
- 7.4 In case the Client does not provide the required margin or any other payment whatsoever within the time frame specified by the Stock Broker, the Stock Broker shall have the right to appropriate and / or sell and / or instruct the Designated Bank or Designated Depository Participant to sell and / or transfer all or any Securities or money in the Client's Account and / or any Associated Account and / or the proceeds thereof, square-off all or any Outstanding Positions, prevent any new orders from being placed and / or executed by the Client or take such other action as the Stock Broker thinks fit and proper. The Stock Broker may exercise all or any of the above rights in such manner as the Stock Broker thinks appropriate, including demand for additional margin, security or collateral, or advance notice at a public auction or by private sale and the Stock Broker may be the purchaser / seller on its own account. The giving of any prior demand, call or notice shall not be considered as a waiver of the Stock Broker's right to exercise its rights without any such demand, call or notice.
- 7.5 In respect of the contracts entered into by the Client in the Futures & Options segment of NSE, the Client may, from time to time, be entitled to receive amounts representing mark-to-market profits or shall be required to pay mark-to-market losses as per Exchange Provisions. The Stock Broker may, instead of paying to the Client any amounts or Securities representing mark-to-market profits, retain, withhold, set-off and / or appropriate for such purposes and in such manner as the Stock Broker may deem fit.
- 7.6 The Sub-broker and the Client hereby confirm that all collaterals / margins or funds or securities owned by the Client singly or jointly and deposited with the Stock Broker for the purpose of securing the dealings of the Client shall be subject to a continuing security, lien and set off for the discharge and satisfaction of the obligations or liabilities of the Client to the Stock Broker and / or any other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the Stock Broker. The Stock Broker may hold such collaterals / margins or funds or securities until the dues and / or obligations of the Client as aforesaid are fully satisfied and the Client shall remain liable for any deficiency in the same that may arise in relation to the Stock Broker after applying the proceeds of such collaterals / margins or funds or securities.
- 7.7 The Sub-broker and the Client hereby authorize the Stock Broker to deposit with any Depository Participant, Clearing House, any custodian or any other such authority authorized for this purpose under the applicable laws, all or part of the collaterals / margins or funds or securities placed by the Client with the Stock Broker as security for the purpose of operation of this agreement, until such time as the Client becomes eligible for delivery or refund, as the case may be, of such collaterals / margins or funds or securities.
- 7.8 The Stock Broker reserves the right in its sole and absolute discretion to collect additional margins, even if not imposed by the Stock Exchange and / or SEBI and the Client shall be required to pay such additional margins to the Stock Broker and the Sub-broker shall ensure that the said additional margins are paid by the Client to the Stock Broker.

## **8. ORDER MODIFICATION AND CANCELLATION REQUESTS**

- 8.1 The Client hereby agrees that the orders that are placed on the Sub-broker are in writing and are put through the automated trading system of the Stock Exchange by the Stock Broker / Sub-broker as may result into trade upon the matching of the order in the automated trading system of the Stock Exchange and upon such matching, the trade confirmation slip or contract note or bill or contract note-cum-bill shall be provided to the Client, by hand delivery, fax, post, courier or e-mail on such terms and conditions as may be stipulated in this regard.
- 8.2 In the event the Client desires to modify / cancel an order placed by him / it earlier, the same shall be informed to the Sub-broker / Stock Broker in writing, through fax or e-mail to the Sub-broker / Stock Broker.
- 8.3 The Client agrees that his / its request / instruction for modification / cancellation of an order entered into the automated trading system of the Stock Exchange may be executed on a "best effort basis" by the Sub-broker / Stock Broker and there is no guarantee that the earlier order shall be so modified / cancelled.
- 8.4 The Client agrees that it is his / its responsibility to check the trade confirmations, contract notes, bills or statement of accounts immediately upon their receipt. All details contained therein shall be binding upon the Client, if the Client does not object in writing to any of the details within 24 hours or such additional time as may be stipulated in the Business Rules framed by the Stock Broker in this regard. In all cases, the Stock Broker reserves the right to determine the validity of any objection issued by the Client with respect to the transactions reported in the trade confirmations, contract notes, bills or statement of accounts. It is further agreed by the Client that the Stock Broker shall not be responsible for any non-receipt of trade confirmations, contract notes, bills or statement of accounts, due to any change in the postal address or e-mail address of the Client, which has not been intimated to the Stock Broker and the Sub-broker.
- 8.5 The cancellation or modification of an order pursuant to the Client's request in that behalf is not guaranteed. The order will be cancelled or modified only if the Client's request for cancellation or modification is received and the order is

possible. Market orders are subject to immediate execution wherever possible.

- 8.6 The Client shall not be entitled to presume an order as having been executed, cancelled or modified until a confirmation from the Stock Broker is received by the Client. However, due to technical or other factors, the confirmation may not be immediately transmitted to or received by the Client, and such delay shall not entitle the Client to presume that the order has not been executed, cancelled or modified unless and until the Stock Broker has so confirmed in writing.
- 8.7 The concerned Exchange may annul a trade suo-moto without giving a reason therefor. In the event of such annulment, the Stock Broker shall be entitled to cancel the relative contract(s) with the Client.
- 8.8 Notwithstanding anything contained above, any orders not executed at the end of the Trading Hours may be cancelled by the Stock Broker, unless the Stock Broker offers the facility of carrying forward unexecuted orders, the Client has informed the Stock Broker of his desire to carry forward the concerned unexecuted orders and the Stock Broker agrees to carry forward such orders.

## **9. BROKERAGE, COMMISSIONS AND FEES**

- 9.1 The Client agrees to pay the Stock Broker, brokerage, commission, fees, service tax and other taxes and transaction expenses as may be applicable from time to time and as they apply to the Client's Account and transactions, and for the services that the Stock Broker renders to the Sub-broker and the Client. The Client also agrees that the Stock Broker may deduct and appropriate any of the aforesaid amounts from any amount payable by the Stock Broker to the Client or may instruct the Designated Bank to transfer such amount to the Stock Broker from an Associated Account.
- 9.2 The Client agrees that the Stock Broker may from time to time in its sole discretion, but subject to the Exchange Provisions and any restrictions imposed by SEBI, determine and modify the amount of brokerage, commission, fees and other amounts payable by the Client. A schedule of current brokerage, fees and commission, applicable service and other taxes and other transaction expenses shall be provided by in Stock Broker's web site, and the Client agrees to keep himself updated in respect thereof.
- 9.3 The Stock Broker agrees that it shall not change brokerage more than the maximum brokerage permissible as per the Rules, Regulations and Bye-laws of the Stock Exchange / SEBI.

## **10. CONFIRMATIONS**

- 10.1 Online confirmation will be available to the Client upon execution or cancellation of an order placed by him through the Stock Broker's iTrade System or conveyed through the Sub-broker. This shall be followed by a confirmation, which may be sent by postal mail, electronic mail or other electronic means after the execution of the order / trade and this shall be deemed to be a valid delivery thereof by the Stock Broker. It is the responsibility of the Client to review, immediately upon first receipt, whether delivered to him online, by postal mail, by electronic mail or other electronic means, all confirmations of orders, transactions or cancellations. It is also the responsibility of the Client to follow up with the Sub-broker / Stock Broker for all such confirmations that are not received by him within the stipulated time.
- 10.2 The Client shall bring any errors in any report, confirmation or contract note of executed trades (including execution prices, scrips or quantities) through the Sub-broker to the Stock Broker's notice in writing, via electronic mail or fax within 48 hours of receipt of the concerned report, confirmation or contract note. Any other discrepancy in the confirmation / contract note or in any report, it shall be notified by the Client through the Sub-broker to the Stock Broker in writing, via electronic mail or fax within 48 hours from the time of receipt of the first notice. In such cases, the Stock Broker shall have the right to accept or reject the Client's objection.
- 10.3 There may be delay in the Stock Broker receiving the reports of transaction status from the respective Exchanges or other persons in respect of or in connection with which the Stock Broker has entered into contracts or transactions on behalf of the Client. Accordingly, the Stock Broker may forward to the Client late reports in respect of such transactions that were previously unreported to him or were incorrectly reported to him as being expired, cancelled or executed. The Client shall not hold the Stock Broker responsible for any losses suffered by the Client on account of any late reports / statements or any errors in reports / statements computed by or received from any Exchange.
- 10.4 **DIGITALLY SIGNED CONTRACT NOTES:** The Client agrees that if he / it so desires, the Stock Broker may provide the digitally signed contract notes, bills, statement of accounts etc. through the internet or at the e-mail address of the Client or any other electronic mode.
- i. In case the Client opts for receiving contract notes, bills, statement of accounts, etc. electronically, the Stock Broker and the Client agree that all information contained therein shall be binding on the Client, if the Client does not object, either in writing or via electronic mail, within 48 hours after such documents are made available to the Client.
  - ii. Should the Client experience any difficulty in opening a document delivered electronically by the Stock Broker, the Stock Broker may make the delivery of the said documents once again by any other electronic means (e-mail, electronic mail attachment or in the form of a file download) within 48 hours after the first instance of delivery and the same shall serve as an affirmation that the Client was able to receive and open the said document.
  - iii. In case the Stock Broker is not able to provide the contract notes to its Client through internet due to any unforeseen technical or operational problems, the Stock Broker shall ensure that the contract notes are sent to the Client in physical form, as per the time schedule stipulated in Bye-laws, Rules and Regulations of the Exchange.
  - iv. The Client agrees to take necessary steps to ensure confidentiality and secrecy of the login name and password. Unless the Client lodges a complaint with the Stock Broker within 48 hours from the execution of the trades as regards his inability to access his documents downloaded electronically by the Stock Broker, it would be presumed that contract notes and all other documents have been properly delivered.
  - v. The Client agrees that the Stock Broker fulfills its legal obligation to deliver to the Client any such document if it is sent via electronic mode.

## **11. OBLIGATION IN THE EVENT OF SHORT DELIVERY**

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



broker jointly and severally shall be responsible for any loss / difference arising out of auctions / close-outs on account of such non-delivery or delay in delivery of securities by the Client that may be sustained by the Stock Broker as a result of such failure of the Client to deliver the securities.

Notwithstanding the aforesaid, the Stock Broker shall be entitled in its discretion to effect a short delivery to the Client for a purchase transaction, inter alia, where the counter-parties, being the seller(s) in the said transaction(s), deliver(s) short to the Stock Exchange and the Stock Exchange is not able to buy-in the securities falling short on behalf of the defaulting party and therefore closes out the transaction as per the Rules, Bye-laws and Regulations of the Stock Exchange.

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

- 12.1 The Client hereby undertakes to
- a. discharge his / its obligations with respect to payment for the business done in a timely manner, so as to enable the Stock Broker to meet its obligations to the Stock Exchange, the Clearing House, Clearing Corporation etc.
  - b. otherwise be fully responsible for all of its dealings, payments and orders.
- 12.2 The Client and the Sub-broker shall be liable for all such obligations / liabilities as may arise due to non-fulfillment of any obligations / liabilities by the Stock Broker towards the Stock Exchange or any other regulatory authority due to the non-compliance by the Client or his / its obligations / liabilities to or through the Stock Broker.

## **13. RESTRICTIONS AND REGULATION OF DEALINGS**

The Stock Broker shall at its discretion, decide from time to time, the volume of business which, the Client introduced by the Sub-broker may transact during any trading day or during any period on the Stock Exchange. The Stock Broker shall have absolute discretion to reduce the volume of business of the Client or restrict dealings of the Client without any prior notice to the Client or Sub-broker, inter alia, having regard to

- i) volatility in the market;
- ii) impending price sensitive announcements;
- iii) any restrictions in relation to volume of trading / outstanding business or margins stipulated by the Stock Exchange;
- iv) political instability in the country;
- v) presence of any other price sensitive factors;
- vi) failure by the Client to maintain the applicable collaterals / margins ; and/or
- vii) delays by the Client in meeting his / its obligations / dues relating to the business / dealings done under this agreement or pursuant to any other agreement between the Client and the Stock Broker.

## **14. LIQUIDATION / CLOSE OUT OF POSITIONS**

- 14.1 Without prejudice to the Stock Broker's other rights, including the right to refer a matter to arbitration, the Stock Broker shall be entitled to liquidate / close out all or any of the Client's positions with out any further intimation or notice to the Client or Sub-broker for non-payment of margins or other amounts due from the Client to the Stock Broker, the Stock Exchange, Clearing House, the Clearing Corporation, the Depository Participant handling the securities of the Client, any agent or the Sub-broker and / or other individual, partnership, corporation, company, organization, association, trust or other entity acting for or on behalf of the Stock Broker. Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker on account of such liquidation / close out shall be reimbursed by the Client and / or Sub-broker or charged to and borne by the Client and / or the Sub-broker or deductible by the Stock Broker from the monies and / or collateral margins or funds or securities of the Client and / or sub-broker or the brokerage / commission of the Sub-broker available with the Stock Broker.
- 14.2 In case there is any delay in making funds pay-in by the Client to the Stock Broker, it shall be the responsibility and obligation of the Sub-broker to make the payments to the Stock Broker on behalf of the Client.
- 14.3 In case payment for any settlement is not received by the Stock Broker from the Client within such number of days as may be stipulated in the Business Rules of the Stock Broker in force at any time, the Stock Broker shall have full liberty / right and is entitled to sell off the securities purchased against the Client and liquidate any collateral margins deposited by the Client at the cost and risk of the Client and / or the Sub-broker.
- 14.4 In case the shares sold by the Client in any settlement are not received by the Stock Broker or received beyond the time limit prescribed in the Business Rules of the Stock Broker, any losses / differences arising out of auctions / close-outs on account of such non-delivery or delay in delivery of securities by the Client to the Stock Broker shall be at the cost and risk and to the account of the Client and / or the Sub-broker.
- 14.5 The Client agrees that he / it shall be bound by the Business Rules of the Stock Broker as may be in force from time to time and the Rules, Regulations and Bye-laws of the holding company of the Stock Broker, i.e., Inter-connected Stock Exchange of India Ltd.
- 14.6 The Client agrees that he / it shall not at any time during the validity of the agreement act as an agent or unregistered intermediary and that all transactions done by him / it shall be only for himself or itself and not for any other person or entity.
- 14.7 The Client and the Sub-broker hereby agree that they shall be liable to pay to the Stock Broker, interest at such rate as may be prescribed in the Business Rules framed from time to time by the Stock Broker on any amount outstanding from the Client to the Stock Broker.
- 14.8 The Client and the Sub-broker hereby agree to pay to the Stock Broker all charges for operation of the DP accounts maintained with ISE DP and for other services rendered by the Stock Broker or any of its agents to the Client and the Sub-broker, as may be intimated by the Stock Broker from time to time.
- 14.9 The Client hereby agrees to open a beneficiary demat account with Inter-connected Stock Exchange of India Ltd., which is a depository participant of Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd.

(NSDL) and also authorize Inter-connected Stock Exchange of India Ltd. to debit his / its account for any charges involved therein, by executing a Power of Attorney in favour of Inter-connected Stock Exchange of India Ltd., format of which is annexed to this Agreement.

## **15. SHARING OF INFORMATION**

- 15.1 The Client agrees to immediately furnish information to the Stock Broker in writing about any event that is likely to have an adverse effect on the financial position of the Client.
- 15.2 Upon receipt of information from the Client as aforesaid, the Stock Broker shall be entitled to take such action, in its absolute discretion as it may consider necessary in order to protect its own interest, including, without limitation, liquidating / closing out all outstanding positions of the Client under intimation to the Sub-broker. Any and all losses, financial charges and / or incidental expenses incurred by the Stock Broker on account of such liquidation / close out shall be reimbursed by the Client and / or Sub-broker or charged to and borne by the Client and / or the Sub-broker or deductible by the Stock Broker from the monies and / or collateral margins or funds or securities of the Client and / or sub-broker or brokerage of the Sub-broker available with the Stock Broker.
- 15.3 Similarly, the Stock Broker agrees to inform the Client through the Sub-broker or directly in such mode as may be stipulated in the Business Rules of the Stock Broker about the following within a reasonable time:
- i. the trades / transactions and the contracts executed and the associated obligations of the Client.
  - ii. the daily settlement position and daily obligations of the Client in relation to his / its dealings in the different segments of the Stock Exchange; and
  - iii. the account of the Client with the Stock Broker.

## **16. EFFECT OF ATTACHMENT**

The Stock Broker shall not be liable for refusing to obey orders given by or for the Client with respect to any account(s) of the Client with the Stock Broker which has or have been subject to attachment in any legal proceedings or under any applicable law for the time being in force against the Client and the Stock Broker shall not be under any obligation to contest the validity of such attachment or sequestration. Further, the Client shall be liable to indemnify the Stock Broker from and against any losses or expenses suffered and / or incurred by the Stock Broker as a result of such attachment.

## **17. FORCE MAJEURE**

- 17.1 The Stock Broker shall not be responsible for any losses, costs or damages resulting directly or indirectly from:
- (i) action, omission, suspension of trading, decision or ruling of the Stock Exchange or regulatory, governmental or other body or of any other person, which is beyond the Stock Broker's control (including Exchange, Clearing House, Clearing Corporation, etc.) or
  - (ii) any war, strike, lock-out, natural disaster, act of terrorism, delay in postal services or any other delay or inaccuracy in the transmission of order or other information or any breakdown, failure or malfunctioning of any telecommunication or computer system.
- 17.2 The Client agrees that the Stock Broker and/or its agents shall not be responsible for any loss or liability caused or incurred directly or indirectly due to any act or omission of the Client or any lost opportunity, actual or perceived, caused directly or indirectly by government restrictions, Exchange or market rulings or regulation, suspension of trading, war, earthquakes, flood, accident, strikes, power failure, communication line failure, system or telephone failure, security failure on the internet, equipment or software malfunction, hacking, unauthorised access, theft, strikes or any problem, technological or otherwise, that might prevent the Client from entering or the Stock Broker from executing an order or any other conditions beyond the Stock Broker's control.
- 17.3 The Stock Broker shall not be liable for any error or delay in, or omission from, any data, information or message on the Stock Broker's website; or (ii) delayed, interrupted or improper transmission or delivery of any data, information or message or any loss or damage arising from or occasioned by the above.

## **18. COMMUNICATIONS AND NOTICES**

- 18.1 All notices or communications issued under this agreement shall be served in any one or more or all of the following ways under (a) to (m) below and such notices or communications shall be served at the ordinary business address and / or ordinary place of residence and / or last known postal address of the party in any one or more of the following ways:
- (a) by post (b) by registered post (c) under certificate of posting (d) by express delivery post (e) by telegram (f) affixing it on the door at the last known business or residential address (g) by advertising it in at least one prominent daily newspaper having circulation in the area where the last known business or residential address of the party is situated (i) by sending a message through the trading system (j) by a notice posted on the notice board of the Stock Exchange if no address be known (k) by electronic mail (l) by fax or (m) by hand delivery.
- 18.2 Any communication / notice posted on the website [www.iseindia.com](http://www.iseindia.com) or any other website as may be notified by the Stock Broker shall be deemed to be proper delivery or service to the Sub-broker or the Client.
- 18.3 Any communication sent by the Stock Broker to the Client or the Sub-broker shall be deemed to have been properly delivered or served, even if such communication is returned to the Stock Broker as unclaimed / refused / undelivered, if the same is sent to the ordinary business address and / or ordinary place of residence and / or last known address of the party, in anyone or more of the ways as mentioned in clause 18 .1 above.

## **19. SETTLEMENT OF CLAIMS**

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

## **20. INVESTMENT ADVICE**

- 20.1 The Stock Broker does not intend to give and the Client and / or the Sub-broker acknowledges that the Stock Broker shall not be liable to provide to the Client and / or the Sub-broker, any tax, legal or investment advice of any kind, or any advice or opinion with respect to the nature, potential value or suitability of any particular securities, transaction, investment or

investment strategy. The Client and the Sub-broker understand and agree that in the event the Client receives or accesses any investment research reports or any investment or other recommendations or advice from the Stock Broker (or any employee or official of the Stock Broker) or on the Stock Broker's website, the same is on a no-liability, no-guarantee and no-obligation basis and any decision, action or omission thereon shall be entirely at the Client's and / or the Sub-broker's risk and should be based solely on the Client's and / or the Sub-broker's own verification of all the relevant facts, financial and other circumstances, a proper evaluation thereof and the Client's investment objectives and the Stock Broker shall not be responsible or liable for the same for any reason whatsoever.

20.2 The Client and the Sub-broker also acknowledges that the Stock Broker's employees are not authorised to give any such advice and that the Client and / or the Sub-broker will not solicit or rely upon any such advice from the Stock Broker or any of its employees. The Client and the Sub-broker agree that in the event of the Stock Broker or any employee or official of the Stock Broker providing any information, recommendation or advice to the Client and / or the Sub-broker, the Client and / or the Sub-broker may act upon the same at the sole risk and cost of the Client and / or the Sub-broker and the Stock Broker shall not be liable or responsible for the same.

20.3 The Client agrees and undertakes to assume full responsibility for all his investment decisions and transactions. The Stock Broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions, transactions or losses of the Client.

20.4 The Client shall always keep himself abreast of all the requirements to be complied by him / it under various laws, as may be applicable and the rules, regulations, directions, circulars, notifications or guidelines issued under or pursuant to the relevant laws.

## **21. REPRESENTATION AND WARRANTIES OF THE CLIENT**

21.1 The Client represents and warrants to the Stock Broker that all the information provided and statements made in the Account Application submitted by the Client are true and correct and are not misleading (whether by reason of omission to state a material fact or otherwise) and the Client is aware that the Stock Broker has agreed to provide the stock broking service to the Client on the basis, inter alia, of the statements made in the Account Application submitted by the Client. The Client is aware and acknowledges that trading over the internet, kiosks, telephone lines and through computers involves many uncertain factors and complex hardware, systems, communication lines, peripherals, etc., which are susceptible to interruptions and dislocations and the stock Broking service may at any time be unavailable without further notice. The Stock Broker and the Exchanges do not make any representation or warranty that the stock broking service will be available to the Client at all times without any interruption. The Client agrees that he shall not have any claim against the Exchanges or the Stock Broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock Broker's System or Service or the Exchange's Service or systems for any reason whatsoever.

21.2 The Client has the required legal capacity to and is authorised to enter into this Agreement and is capable of performing his / its obligations and undertakings hereunder.

21.3 All actions required to be taken to ensure compliance of all the transactions which the Client may enter into pursuant to this Agreement with all applicable laws shall be complied by the Client prior to such transaction being entered into.

21.4 The Client shall abide by the Exchange provisions and the Business Rules of the Stock Broker as posted on the Stock Broker's website from time to time.

21.5 Any instructions given by an authorised representative of the Client to the Stock Broker (or to the Stock Broker's representative) shall be binding on the Client.

## **22. REPRESENTATIONS AND WARRANTIES OF THE STOCK BROKER**

The Stock Broker represents and warrants to the Client that, wherever such approval is required, the Stock Broker's System has been approved by the Exchanges.

## **23. OTHER DATA**

23.1 The Client and / or the Sub-broker understand that Exchanges and any other supplier of data assert proprietary interest in all of the market and other data they furnish, directly, through the Stock Broker or otherwise. The Client and / or the Sub-broker understand that the Exchanges, such suppliers and the Stock Broker do not guarantee the timeliness, sequence, accuracy or completeness of the data or any other information or any messages disseminated by it. Neither the Stock Broker nor the Exchanges nor such suppliers shall be liable in any way for incorrect, misleading, incomplete or out-dated data or information and if the Client and / or the Sub-broker act on the basis of the same, he / it shall do so at his / its own risk and cost.

23.2 The Client and / or the Sub-broker shall not furnish market information provided by the Exchange(s) or the Stock Broker to any other person or entity for consideration or otherwise and in the event the Client uses such information, he shall do so at his own risk and cost.

23.3 The Client and / or the Sub-broker is authorised to use material which is made available by the Stock Broker for the Client's and or the Sub-broker's own needs only, and the Client is not authorised to resell or permit access to any such material or to make copies of any such material for sale or supply to or use by others. The Client will not delete copyright or other intellectual property rights notices from any such materials.

23.4 Information about default in payment / delivery and related aspects shall be brought to the notice of the concerned Exchange(s). In case where defaulting Client is a corporate entity / partnership / proprietary firm or any other artificial legal entity, then the name(s) of director(s) / promoter(s) / partner(s) / proprietor, as the case may be, shall also be communicated to the concerned Exchange(s).

## **24. REIMBURSEMENTS**

24.1 The Stock Broker does not warrant that the service will be uninterrupted or error free. The stock broking service is provided without warranties of any kind, either express or implied, including, without limitation, those of uninterrupted availability, merchantability or fitness for a particular purpose.

- 24.2 The Client and the Sub-broker agree that under no circumstances, including negligence, shall the Stock Broker or anyone involved in creating, producing, delivering or managing the Stock Broker's Services or System be liable for any direct, indirect, incidental, special or consequential damages including, but not limited to lost profits, trading losses, loss of opportunity or damages that result from interruption, delay or loss of the use of the Service or out of any breach of any warranty even if the Stock Broker has been advised of the possibility of such damages.
- 24.3 The Client agrees to reimburse to the Stock Broker any and all claims, liabilities, costs, expenses (including but not limited to lawyer's fees and penalties or costs imposed by any Exchange and proceedings arising from or in relation to the Client's breach of any provision of this Agreement or any third party's right arising out of the Services rendered by the Stock Broker pursuant to this Agreement or any other wrongful act on the part of the Client);
- 24.4 Certain Securities may grant the holder thereof valuable rights that may expire unless the holder takes action. The Client shall be responsible for knowing the rights and terms of all the Securities in his accounts and the Stock Broker shall not be obligated to notify the Client of any upcoming expiration or redemption dates, or take any other action on the Client's behalf, except as required by law and the applicable Exchange Provisions. The Client shall also be responsible for knowing about reorganisation related to the Securities which the Client holds including, but not limited to, stock splits. If, due to a reorganisation or book-keeping or data entry error, the Client sells more quantity of the security than he / it actually owns or different Securities from what he / it actually owns, then the Stock Broker shall not be responsible for any losses that the Client may incur by reason thereof.

## **25. AMENDMENT & SUSPENSION**

- 25.1 The Client and the Sub-broker understand and agree that the Stock Broker may suspend or discontinue his service in part or in its entirety and change the terms of the service at any time and from time to time, without specific notice to the client, and the same shall be binding on the Client and or the Sub-broker.
- 25.2 Without prejudice to the generality of the aforesaid, the Stock Broker may suspend or terminate the Services without prior notice to the Client and / or the Sub-broker, if the Client and or the Sub-broker has breached any terms or conditions or if the Stock Broker learns of the death, disability, bankruptcy or lack of legal capacity of the Client or where in the perception of the Stock Broker, the continuation of the Service could increase the risks to the Stock Broker.
- 25.3 The Stock Broker may at any time amend this Agreement by modifying or rescinding any of its existing provisions or conditions or by adding any new provisions or conditions, by conspicuously posting notice of such amendment on the Stock Broker's website or providing written notice thereof to the Client. Notice by e-mail would be deemed to be proper notice in writing. The Client agrees and undertakes to regularly and promptly (and, in particular immediately prior to and at the time of placing any order) keep himself updated of all postings on the Stock Broker's website and also of all other amendments notified by the Stock Broker to the Client from time to time. Continued use of the stock brokering service after such notice will constitute acknowledgement and acceptance of such amendment. A certificate from the Stock Broker's Technology department that any amendment or other matter was posted on the Stock Broker's website on a particular date or at a particular time shall be conclusive and final and binding on the Stock Broker and the Client.

## **26. ASSIGNMENT**

The Client shall not assign any right and obligation hereunder without first obtaining the Stock Broker's prior written consent.

## **27. TERMINATION OF AGREEMENT**

- 27.1 This Agreement may be terminated at any time by mutual consent of the Parties.
- 27.2 The Client and the Sub-broker agree that the Stock Broker may at any time terminate this Agreement by giving not less than thirty days' notice to the Client / Sub-broker; provided that in exceptional circumstances, the Stock Broker may at any time terminate this Agreement without advance intimation to the Client / the Sub-broker. The Client is aware and accepts that in view of the nature of the transactions and dealings involved in providing the Service, it may not be possible for the Stock Broker to give advance intimation of such termination or suspension to the Client.
- 27.3 The Client may at any time terminate this Agreement by giving not less than thirty days' notice to the Stock Broker, provided that unless the Stock Broker otherwise permits, the Client shall not be entitled to terminate this Agreement so long as any amount is payable or Securities are deliverable by the Client to the Stock Broker.
- 27.4 The Sub-broker may at any time terminate this Agreement by giving not less than thirty days' notice to the Stock Broker, provided that unless the Stock Broker otherwise permits, the Sub-broker shall not be entitled to terminate this Agreement so long as any amount is payable or Securities are deliverable by the Clients introduced by the Sub-broker to the Stock Broker.
- 27.5 The termination of this Agreement shall not affect any rights or obligations of either party which have accrued prior to the termination or which may arise out of or in connection with transactions entered into or acts done or omitted prior to the termination.
- 27.6 The provisions of Clauses 24, 31 and 33 of this Agreement shall survive the termination of this Agreement.
- 27.7 The Agreement shall forthwith terminate; if the Stock Broker for any reason ceases to be a Stock Broker of NSE and BSE, including cessation of membership by reason of the Stock Broker's default, dissolution, insolvency or expulsion or if the certificate issued by SEBI is cancelled.

## **28. SEVERABILITY**

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

## **29. WAIVER**

29.1 No forbearance, relaxation or inaction by any party at any time with regard to the performance of any provision of this agreement shall in any way affect, diminish or prejudice the right of such party to require the performance of that or any other provision of this agreement or be considered to be a waiver of any right, unless specifically agreed in writing. Except as specifically permitted in this agreement, no provision of this agreement can be nor be deemed to be, waived, altered, modified or amended unless agreed to in writing and signed by an authorised officer of the Stock Broker. No waiver of any single breach or default under this Agreement shall be deemed a waiver of any other breach or default.

29.2 Notwithstanding anything stated elsewhere in this Agreement but subject to the provision hereinafter appearing, the Stock Broker shall have that right to, in its sole discretion, waive in whole or in part, all or any of the provisions of this Agreement which require the Client to maintain Associated Account(s) and / or any other provision of this agreement. In case of such waiver,

- (i) the provisions of this Agreement relating to Associated Accounts and the operation thereof (and/or any waived provisions) shall be construed accordingly: and
- (ii) in the absence of any Associated Bank account, all payment by or to the Client shall effected through and / or by cheques / demand drafts of a bank acceptable to the Stock Broker (which may be a bank other than the Designated Bank) or in such other manner as the Stock Broker may specify: and
- (iii) in the absence of any Associated Depository Account, all deliveries of Securities by or to the Client shall be effected through any depository account acceptable to the Stock Broker or in such other manner as the Stock Broker may specify.

Provided always that notwithstanding anything stated above, the Stock Broker shall have the right, at any time in its sole and absolute discretion, to withdraw such waiver in whole or in part without assigning any reasons.

### **30. LAW AND JURISDICTION**

This Agreement shall be governed by and construed in all respects in accordance with the laws of the Republic of India. All trades, transactions and contracts are subject to the Rules, Bye-laws and Regulations of the Stock Exchange on which the trades have been executed and the parties to such trades shall be deemed to have submitted themselves to the jurisdiction of courts in Mumbai for the purpose of giving effect to the provisions and subject to the provisions of Rules, Bye-laws and Regulations of the Stock Exchange.

### **31. APPLICABILITY OF EXCHANGE PROVISIONS**

This Agreement and all contracts and transactions between the Stock Broker and the Client pursuant hereto shall be subject to the applicable Exchange Provisions, the Rules, Bye-laws and Regulations and other provisions of the concerned Exchange (including the Rules, Bye-laws and Regulations of the various segments of the concerned Exchange), clearing house and clearing corporation, if any, the provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the rules and regulations made thereunder, as amended from time to time. In addition to the specific rights set out in this Agreement, the Stock Broker and the Client shall be entitled to exercise any other rights which the Stock Broker or the Client may have as per relevant notification of Government authorities under the Exchange Provisions or as may be prescribed by SEBI.

### **32. DISPUTE RESOLUTION**

Any claim, dispute or difference arising between the Parties hereto in respect of this Agreement or any contracts, dealings or transactions pursuant hereto or any rights, obligations, terms or conditions as contained in this Agreement or the interpretation or construction of this Agreement shall be subject to the grievance redressal procedure of the concerned Exchange and shall be subject to the arbitration procedure as prescribed by NSE / BSE provisions. The Stock Broker and the Client are aware of the provisions of the Bye-laws, Rules and Regulations of NSE / BSE (including those of the various segments of NSE / BSE) relating to arbitration.

The Client and Stock Broker agree to refer any claims and / or disputes governed by the Rules, Bye-laws and Regulations of the Derivatives Segment of the NSE / BSE to arbitration in the City of Mumbai as per the Rules, Bye-laws and Regulations of the Derivatives Segment of the NSE / BSE as amended from time to time.

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.

The Stock Broker hereby agrees that it shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between it and the Client and that it shall be liable to implement the arbitration awards made in such proceedings.

The Parties to this agreement agree that any dispute / claim / difference arising out of any transaction done or entered into between the Client, Sub-broker and the Stock Broker shall be subject to the exclusive jurisdiction of the courts in Mumbai, to the exclusion of all other courts.

The Stock Broker and the Client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulation, 2003.

### **33. TRANSACTIONS OTHER THAN EXCHANGE TRANSACTIONS**

The Parties acknowledge that the Stock Broker's Service involve execution of orders and transactions (i) on or through an Exchange ("Exchange Transactions") and also (ii) otherwise than on or through an Exchange, e.g. transactions in unlisted units of mutual funds, government securities, commercial paper, certificates of deposit, negotiable instruments and investment in company or bank deposits. ("Off Exchange Transactions"). The Parties acknowledge and agree that in case of such Off-Exchange Transactions, the Exchange Provisions would not apply and the provisions of this Agreement shall be construed accordingly. Without prejudice to the generality of the aforesaid, the Parties agree that in case of Off Exchange Transactions: (a) the orders and transactions shall not be governed by the Exchange Provisions but by the Stock Broker's terms and conditions (including the terms and conditions posted on the Stock Broker's website) applicable to such transactions and the terms and conditions of the concerned issuer of the Securities, company or other entity or person and (b) the provisions of this Agreement which would, by its very nature, apply only to Exchange Transactions and not to Off

Exchange Transactions, (c) the Stock Broker may receive brokerage, commission or other amounts from the issuer, company or other concerned person or entity (in addition to receiving brokerage or other remuneration from the Client) and (d) the provisions of Clause 32 (Dispute Resolution) of this Agreement shall be substituted with the following:

Any claim, dispute or difference arising between the Parties hereto in respect of this Agreement or any contracts, dealings or transactions pursuant hereto or any rights, obligations, terms or conditions as contained in this Agreement or the interpretation or conclusion of this Agreement shall be referred to the arbitration of a sole arbitrator to be appointed jointly by the Parties or, in the absence of such joint agreement, by the Chief Justice of the Mumbai High Court. The arbitration shall be conducted in English and shall be held in Mumbai, India.

**34. PROPRIETARY TRADING**

The Stock Broker does not trade in its own / proprietary account in the equity or derivatives segment of the Exchanges.

This agreement shall come into force from \_\_\_\_\_, 2006, which shall be considered as the effective date for this Agreement.

Words and expressions which are used in this agreement, but which are not defined herein, shall unless the context otherwise require, have the same meaning as assigned thereto in the Rules, Bye-laws and Regulations of the Stock Exchange and the circulars issued thereunder.

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

In this Agreement, headings are used for convenience and ease of reference only and shall not affect the construction or interpretation of any provision of this Agreement.

Words and expressions are used for convenience and ease of reference only and shall not affect the construction or interpretation of any provision of this Agreement.

Annexures and Schedules to this Agreement shall form an integral part of this Agreement.

In this Agreement, unless repugnant to the context or meaning thereof (i) reference to the singular includes a reference to the plural and vice-versa, (ii) reference to any gender includes a reference to all other genders, (iii) references to Recitals, Clauses, Schedules and Annexures shall be deemed to be a reference to the recitals, clauses, schedules and annexures of or to this Agreement, (iv) reference to a person shall include its personal representative; and (v) reference to any enactment are to be construed as referring also to any amendment or re-enactment thereof and to any Rule, Bye-law, Regulation, business requirement, specification, order or other provision made under it.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and signatures on the day, month and year first above-written.

Signed for and on behalf of the Stock Broker, Sub-broker and the Client.

<b>Stock-broker</b>	<b>Sub-broker</b>	<b>Client</b>
<p>For ISE SECURITIES &amp; SERVICES LTD.,  <input checked="" type="checkbox"/> _____            Authorised Signatory  <b>MEMBER: Bombay Stock Exchange Limited</b>  <b>SEBI Regn. No. INB011077733</b>            (Equities Segment)</p> <p><b>MEMBER: National Stock Exchange of India Ltd.</b>  <b>SEBI Regn. No. INB231077737</b> (Cash)            &amp; INF231077737 (F&amp;O)</p> <p><b>Regd. Off. : International Infotech Park,</b>  <b>Tower 7, 5<sup>th</sup> Floor, Sector 30,</b>  <b>Vashi, Navi Mumbai – 400 703.</b></p> <p>Witness:            Signature: <input checked="" type="checkbox"/> _____            Name: _____            Address: _____</p>	<p>For _____</p> <p>Authorised            Signatory: <input checked="" type="checkbox"/> _____</p> <p>SEBI Regn. No. _____            Address: _____</p> <p>Witness Signature: <input checked="" type="checkbox"/> _____</p> <p>Name: _____            Address: _____</p>	<p>For _____</p> <p>Authorised            Signatory: <input checked="" type="checkbox"/> _____</p> <p>Address: _____</p> <p>Witness Signature: <input checked="" type="checkbox"/> _____</p> <p>Name: _____            Address: _____</p>

1.1 In this Agreement, unless repugnant to the context or meaning thereof:-

**"Account Application"** means the application submitted by the Client to the Stock Broker to open a Client Account and to permit the Client to avail the Stock Broker's Services.

**"Associated Account"** means the Associated Bank Account(s) and the Associated Depository Account(s).

**"Associated Bank Account"** means the current or saving bank account(s) maintained by the Client (either solely or jointly with another or other or others) with the Designated Bank, and which account(s) has/have been designated by the account holder(s) as an Associated Bank Account(s) for the purposes of this Agreement.

**"Associated Depository Account"** means the depository account(s) maintained by the Client (either solely or jointly with another or others) with the Designated Depository Participant and which account(s) has / have been designated by the account holder(s) as an Associated Depository Account(s) for the purpose of this Agreement.

**"Available Funds Balance"** means the amount of credit balance in the Association Bank Account(s) or in the Client's Account with the Stock Broker which is not subject to any lien or other encumbrance (except in favour of the Stock Broker pursuant to this Agreement) and which is freely available to the Stock Broker for blocking and appropriation towards the Client's then current or possible future dues to the Stock Broker, to an Exchange, to a Clearing Corporation / House or to any other person or entity in connection with an order executed by the Stock Broker for the Client.

**"Available Stock Balance"** means the Securities balance in the Associated Bank Account(s) or the Client's Account with the Stock Broker which is not blocked or under any lien or other encumbrance and which is freely available to the Stock Broker for blocking and appropriation towards the Client's then current or possible future obligations, to deliver the concerned Securities to the Stock Broker, to an Exchange, to a Clearing Corporation / House or to any other person or entity in connection with an order executed by the Stock Broker for the Client.

**"Brokerage"** means the amount charged by the Stock Broker to the Client as brokerage for a secondary market transaction or for any other services. The term "Brokerage" does not include service tax or other taxes, transaction or other fees and commissions that may be applicable in respect of the Services.

**"BSE"** means Bombay Stock Exchange Limited.

**"Business Day"** means any day on which NSE / BSE is / are operational for trading.

**"Client Account"** means an account opened by the Stock Broker in the name of the Client in the Stock Broker's records pursuant to this Agreement.

**"Designated Bank"** means such bank(s) and / or entity (ies) as the Stock Broker may specify in this behalf from time to time.

**"Designated Depository Participant"** means Inter-connected Stock Exchange of India Ltd., which is a depository participant of Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL).

**"Exchange"** means NSE, BSE and such other stock exchange(s), if any, of which the Stock Broker becomes a trading member and over which the Stock Broker agrees to offer its Services to the Client and "Exchanges" shall be construed accordingly.

**"Exchange Provisions"** means the Rules, Bye-laws, Regulations, Constitutions, customs, Business Requirement Specifications, handbooks, notices, circulars and resolutions of NSE and BSE (or any segment of NSE or BSE) or the National Securities Clearing Corporation Limited or the concerned depository in force from time to time.

**"Good delivery"**, in relation to securities, shall mean the timely delivery of freely transferable securities which are considered as good delivery securities by the concerned Exchange, SEBI and the concerned Clearing Corporation / House.

**"iTrade"** means Internet-based trading and Order Routing System used by the Stock Broker, which is approved by NSE / BSE for enabling Clients to route their orders to their Stock Brokers over the internet.

**"iTrade Service"** means the service offered by the Stock Broker to its Clients through iTrade, whereunder the Clients can route their orders for purchase, sale and other dealings in the Securities through the Stock Broker's website.

**"Long Purchase"** shall include a purchase order of transaction given or entered into by the Client without sufficient Available Funds Balance.

**"Stock Broker's Services" or "Services"** means:-

- (i) the services which the Stock Broker renders as a trading member of an Exchange and includes (but is not limited to) the iTrade Service; and
- (ii) such other services which the Stock Broker, as a trading member of an Exchange, may offer or be permitted to offer to the Client under or pursuant to this Agreement which may include by way of illustration:
  - a) Purchase and sale of Government Securities, units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, money market instruments, investment in bank and/or company deposits and other Securities.
  - b) Clearing facilities
  - c) Advisory services
  - d) Portfolio management services and
  - e) Custodial services

**"Stock Broker's website"** means the Stock Broker's website at [www.iseindia.com](http://www.iseindia.com) or such other website as may be hosted by the Stock Broker for access through the internet, through which the Stock Broker offers the Services.

**"NSE"** means the National Stock Exchange of India Limited.

**"Outstanding Position"** in a scrip means the value of the total quantity of that scrip purchased (or sold) less the total quantity sold (or purchased) by the Client and not settled.

**"Password"** means the alphanumeric code used by the Client to validate his username and access the iTrade Service.

**"SEBI"** means the Securities and Exchange Board of India.

**"Securities"** shall have the same meaning as assigned thereto under Section 2 of the Securities Contracts (Regulation) Act, 1956 and shall include any securities, derivatives and other instruments which are tradeable on any of the Exchanges as well as such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted) government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, money market instruments investment in bank and / or company deposits and other instruments and investments as may be specified by the Stock Broker from time to time.

**"Segment"** or **"segment"** means any segment of an Exchange and includes the cash segment, debt segment and derivatives segment of an Exchange.

**"Short Sale"** shall include a sale order or transaction given or entered into by the Client without sufficient Available Stock Balance.

**"Squaring-off"** a position means executing a transaction so that the Outstanding Position in a scrip is offset in full or in part. **"Square-off"** and **"Squared-off"** shall be construed accordingly.

**"System"** means the system hosted by the Stock Broker on the internet through which the iTrade Service is offered, the Stock Broker's system for accepting orders over the telephone and also includes any other system offered by the Stock Broker for accepting orders from a Client and performing any part of the Service.

**"Trading Hours"** means such period of a Business Day during which NSE / BSE offer trading facilities to its Stock Brokers.

**"Transactions"** refers to the orders placed by the Client through the Stock Broker's Services for the purchase or sale of Securities or other dealing in Securities, whether or not executed in an Exchange.

**"Username"**, **"Customer ID"**, **"Client ID"** or **"User Identification Number"** (by whatever name called) means the alphabetic, numeric, alphanumeric login identification used by the Client for accessing his account for availing the Services.



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

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

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

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

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

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

## **1. BASIC RISKS INVOLVED IN TRADING ON THE STOCK EXCHANGE (EQUITY AND OTHER INSTRUMENTS)**

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

Volatility refers to the dynamic changes in price that securities undergo when trading activity continues on the Stock Exchange. Generally, higher the volatility of a security / contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / contracts than in active securities / contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially 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 / contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / contracts purchased or sold. There may be a risk of lower liquidity in some securities / contracts as compared to active securities / contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed with relatively greater price difference or may not be executed at all.

1.2.1 Buying / selling without intention of giving and/or taking delivery of a security, as part of a day trading strategy, may also result into losses, because in such a situation, stocks may have to be sold / purchased at a low / high prices, compared to the expected price levels, so as not to have any obligation to deliver / receive a security.

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

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

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

Most Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc". The placing of such orders (e.g., "stop 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.

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 / contract, and such order gets activated if and when the stock / contract reaches, or trade, through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the stock reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/ limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a stock / contract might penetrate the 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:

Issuers make news announcements that may impact the price of the securities / contracts. These announcements may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.

#### 1.6 Risk of Rumours:

Rumour about companies at times float in the market through word of mouth, news paper, Websites or news agencies, etc. The investors should be wary of and should desist from acting on rumours.

#### 1.7 System Risk:

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

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

1.7.2 Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at 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 due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason.

#### 1.8 System / Network Congestion:

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

## 2. As far as Futures and Options segment is concerned, please note and get yourself acquainted with the following additional features:-

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

The amount of margin is small relative to the value of the derivatives contract so the transactions are "leveraged" or "geared".

Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in derivatives carry a high degree of risk.

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

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

B. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the broker / member may liquidate a part of 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 the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

### 2.2 Risk of Option holders

2.2.1 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.

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

### 2.3 Risks of Option Writers

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

2.3.2 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.

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

## 3. GENERAL

### 3.1 Commission and other charges:

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

### 3.2 Deposited cash and property:

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

3.3 For rights and obligations of the Clients, please refer to Annexure-1 enclosed with this document.

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

3.5 The term "member" shall mean and include a trading member, a broker or a Stock Broker, who has been admitted as such by NSE and who holds a registration certificate as a Stock Broker from SEBI.

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## ANNEXURE – 2

### INVESTOR'S RIGHTS AND OBLIGATIONS

1.1 You should familiarise yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the stock market or the broking firm's insolvency or bankruptcy.

1.1.1 Please ensure that you have a documentary proof of your having made deposit of such money or property with the member, stating towards which account such money or property deposited.

1.1.2 Further, it may be noted that the extent to which you may recover such money or property may be governed by the Bye-laws and Regulations of NSE / BSE and the scheme of the Investors' Protection Fund in force from time to time.

1.1.3 Any dispute with the member with respect to deposits, margin money, etc., and producing an appropriate proof thereof, shall be subject to arbitration as per the Rules, Byelaws / Regulations of NSE / BSE or its Clearing Corporation / Clearing House.

1.2 Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.

1.3 You should exercise due diligence and comply with the following requirements of the NSE / BSE and / or SEBI:

1.3.1 Please deal only with and through SEBI registered members of the Stock Exchange and are enabled to trade on the Exchange. All SEBI registered members are given a registration no., which may be verified from SEBI. The details of all members of NSE / BSE and whether they are enabled to trade may be verified from NSE website ([www.nseindia.com](http://www.nseindia.com)) or BSE website ([www.bseindia.com](http://www.bseindia.com)).

1.3.2 Demand any such information, details and documents from the member, for the purpose of verification, as you may find it necessary to satisfy yourself about his credentials.

1.3.3 Furnish all such details in full as are required by the member as required in "Know Your Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by SEBI / NSE or BSE at any time, as is available with the investor.

1.3.4 Execute a broker-Client agreement in the form prescribed by SEBI and/or the Relevant Authority of NSE / BSE or its Clearing Corporation / Clearing House from time to time, because this may be useful as a proof of your dealing arrangements with the member.

1.3.5 Give any order for buy or sell of a security in writing or in such form or manner, as may be mutually agreed. Giving instructions in writing ensures that you have proof of your intent, in case of disputes with the member.

1.3.6 Ensure that a contract note is issued to you by the member which contains minute records of every transaction. Verify that the contract note contains details of order no., trade number, trade time, trade price, trade quantity, name of security, Client code allotted to you and showing the brokerage separately. Contract notes are required to be given / sent by the member to the investors latest on the next working day of the trade. Contract note can be issued by the member either in electronic form using digital signature as required, or in hard copy. In case you do not receive a contract note on the next working day or at a mutually agreed time, please get in touch with the Investors Grievance Cell of NSE / BSE, without delaying.

1.3.7 Facility of Trade Verification is available on NSE website ([www.nseindia.com](http://www.nseindia.com)) or BSE website ([www.bseindia.com](http://www.bseindia.com)), where details of trade as mentioned in the contract note may be verified from the trade

- date upto give trading days. Where trade details on the website, do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of NSE.
- 1.3.8 Ensure that payment/delivery of securities against settlement is given to the concerned member within one working day prior to the date of pay-in announced by NSE or its Clearing Corporation / Clearing House. Payments should be made only by account payee cheque in favour of the firm / company of the trading member and a receipt or acknowledgement towards what such payment is made be obtained from the member. Delivery of securities is made to the pool account of the member rather than to the beneficiary account of the member.
- 1.3.9 In case pay-out of money and/or securities is not received on the next working day after date of pay-out announced by NSE / BSE or its Clearing Corporation/Clearing House, please follow-up with the concerned member for its release. In case pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investor's Grievance Cell of NSE / BSE.
- 1.3.10 Every member is required to send a complete "Statement of Accounts", for both funds and securities settlement to each of its constituents, at such periodicity as may be prescribed by time to time. You should report errors. If any, in the Statement immediately, but not later than 30 calendar days of receipt thereof, to the member. In case the error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE / BSE, without delaying.
- 1.3.11 In case of a complaint against s member / registered Sub-broker, you should address the complaints to the Office as may be specified by NSE / BSE from time to time.
- 1.4 In case where a member surrenders his membership, NSE / BSE gives a public notice inviting claims, if any, from investors. In case of claim, relating to "transactions executed on the trading system" of NSE / BSE, ensure that you lodge a claim with NSE / BSE / NSCCL / Clearing House within the stipulated period and with the supporting documents.
- 1.5 In case where a member is expelled from trading membership or declared a defaulter, NSE / BSE gives a public notice inviting claims, if any, from investor. In case of a claim, relating to "transactions executed on the trading system" of NSE / BSE, ensure that you lodge a claim with NSE / BSE within the stipulated period and with the supporting documents.
- 1.6 Claims against a defaulter/expelled member found to be valid as prescribed in the relevant Rules / Bye-laws and the scheme under the Investors Protection Fund (IPF) may be payable first out of the amount vested in the Committee for Settlement of Claims against Defaulters on pro-rata basis if the amount is adequate. The balance amount of claims, if any, to a maximum amount of Rs. 10 lakhs per investor claim, per defaulter / expelled member may be payable subject to such claims being found payable under the scheme of the IPF.

**Notes:**

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

I / We hereby acknowledge that I / We have received and understood this risk disclosure document and Annexure 2 containing my / our rights and obligations.

X

**Client's Signature**

(If Partner, Corporate, or other Signatory, then attest with company seal.)

Date: \_\_\_\_\_(dd/mm/yyyy)

Chapter 1  
Annexure - A

***SPECIFIC POWER OF ATTORNEY***

Chapter 4

Chapter 5 TO ALL TO WHOM THESE PRESENTS SHALL COME

I, \_\_\_\_\_, an individual,  
currently residing / having my office  
at \_\_\_\_\_

OR

We, \_\_\_\_\_, a partnership firm  
duly registered under the provisions of the Indian Partnership Act, 1932 and  
having its place of business  
at \_\_\_\_\_

14.1 OR

We, \_\_\_\_\_, a company incorporated under the  
companies Act, 1956 and having its registered office  
at \_\_\_\_\_ registered as a

Client (hereinafter to as "the Client"), which expression shall include unless it be repugnant to the subject or context thereof, our successors, assigns, executors, administrators, legal representatives, partners and the directors, for the time being of the said concern of company with **ISE Securities and Services Ltd.**, having its registered Office at International InfoTech Park, Tower 7, 5<sup>th</sup> Floor, Sector 30, Vashi, Navi Mumbai – 400703. (hereinafter referred to as "ISS", which expression shall include unless it be repugnant to the subject or context thereof, its successors, assigns, executors and administrators, for the time being of the said company), do hereby solemnly and sincerely affirm on oath, agree and abide as follows:

I / We hold a beneficiary account no. \_\_\_\_\_ (BO-ID) with Central Depository Services (India) Limited and / or National Securities Depository Limited through Inter-connected Stock Exchange of India Ltd. (hereinafter referred to as "Depository Participant"), bearing DP-ID \_\_\_\_\_ and / or \_\_\_\_\_ respectively.

I / We am / are an investor engaged in buying and selling of securities through "ISS", a trading member of National Stock Exchange and Bombay Stock Exchange, bearing SEBI registration no: INB231077737 (**NSE – Cash Segment**), INF231077737 (NSE – Futures and Options Segment) and INB 0 11077733 (BSE – Equities Segment) respectively.

NOW KNOW WE ALL AND THESE PRESENTS WITNESSTH THAT I / WE THE ABOVE NAMED DO HEREBY NOMINATE, CONTITUTE AND APPOINT "ISS" as my / our true and lawful attorney (hereinafter referred to as the "Attorney") for me / us and on my / our behalf and in my / our name to instruct the aforesaid Depository Participant(s) to debit securities and / or to transfer securities from the aforesaid account for the purpose of delivering the same to the clearing house of the recognized stock exchange towards any segment in respect of securities sold by me / us through them.

This authority is restricted to the pay-in obligation arising out of the transactions of sale effected by me / us through "ISS" and I / we ratify the instructions given by ISS to the Depository Participant(s) named herein above in the manner specified herein.

I / we further agree:

- (a) That this Power of Attorney shall be in force and effective as long as I / we continue to be a client of ISS and I / we hereby agree not to revoke this Power of Attorney so long as I / we do business with ISS.
- (b) That I / we do hereby confirm that all the powers hereby conferred may be exercised by any officer of the said Attorney, who is authorized in this regard.
- (c) That I / we agree to indemnify and keep indemnified and hold harmless, ISS and ISE DP from any and all reasonable costs, liabilities and expenses

resulting directly or indirectly from all lawful actions and in accordance with proper issued where required.

- (d) That our partners or the Board of Directors of our company, as applicable, have passed a resolution approving this Specific Power of Attorney and have authorized us to sign and execute this Specific Power of Attorney, a copy of which resolution duly attested is enclosed herewith. (This shall be applicable to clients who are partnership firms / corporates)
- (e) That I / we finally agree that the decision of ISS to debit my / our aforesaid beneficiary account as stated herein shall be final and binding on me / us.

SIGNED AND DELIVERED on this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_ by the within-named client.

Signature of the Client \_\_\_\_\_  
IN THE PRESENCE OF WITNESSES

**Witness 1:**

**Witness 2:**

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

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

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

**Place:**

**Date:**

I / We accepted (Attorney)

Name: For **ISE Securities and Services Ltd.**

Address

Authorised Signatory: \_\_\_\_\_

**Chapter 6**

**Chapter 7**

**Chapter 8**

**Chapter 9  
Annexure - A**

***SPECIFIC POWER OF ATTORNEY***

**Chapter 12**

**Chapter 13 TO ALL TO WHOM THESE PRESENTS SHALL COME**

I, \_\_\_\_\_, an individual,  
currently residing / having my office  
at \_\_\_\_\_

**OR**

We, \_\_\_\_\_, a partnership firm  
duly registered under the provisions of the Indian Partnership **Act, 1932** and  
having its place of business  
at \_\_\_\_\_

**14.1 OR**

We, \_\_\_\_\_, a company incorporated under the  
companies **Act, 1956** and having its registered office  
at \_\_\_\_\_ registered as a  
Client (hereinafter to as "the Client"), which expression shall include unless it be repugnant to the  
subject or context thereof, our successors, assigns, executors, administrators, legal  
representatives, partners and the directors, for the time being of the said concern of company  
with **ISE Securities and Services Ltd.**, having its registered Office at International InfoTech  
Park, Tower 7, 5<sup>th</sup> Floor, Sector 30, Vashi, Navi Mumbai – 400703. (hereinafter referred to as  
"ISS", which expression shall include unless it be repugnant to the subject or context thereof, its  
successors, assigns, executors and administrators, for the time being of the said company), do  
hereby solemnly and sincerely affirm on oath, agree and abide as follows:

I / We hold a beneficiary account no. \_\_\_\_\_ (BO-ID) with Central Depository  
Services (India) Limited and / or National Securities Depository Limited through Inter-connected  
Stock Exchange of India Ltd. (hereinafter referred to as "Depository Participant"), bearing DP-ID  
\_\_\_\_\_ and / or \_\_\_\_\_ respectively.

I / We am / are an investor engaged in buying and selling of securities through "ISS", a trading  
member of National Stock Exchange and Bombay Stock Exchange, bearing SEBI registration no:  
INB231077737 (**NSE – Cash Segment**), INF231077737 (NSE – Futures and Options Segment)  
and INB 0 11077733 (BSE – Equities Segment) respectively.

NOW KNOW WE ALL AND THESE PRESENTS WITNESSTH THAT I / WE THE ABOVE  
NAMED DO HEREBY NOMINATE, CONTITUTE AND APPOINT "ISS" as my / our true and  
lawful attorney (hereinafter referred to as the "Attorney") for me / us and on my / our behalf and in  
my / our name to instruct the aforesaid Depository Participant(s) to debit securities and / or to  
transfer securities from the aforesaid account for the purpose of delivering the same to the  
clearing house of the recognized stock exchange towards any segment in respect of securities  
sold by me / us through them.

This authority is restricted to the pay-in obligation arising out of the transactions of sale effected  
by me / us through "ISS" and I / we ratify the instructions given by ISS to the Depository  
Participant(s) named herein above in the manner specified herein.

I / we further agree:

- (f) That this Power of Attorney shall be in force and effective as long as I / we continue to be a client of ISS and I / we hereby agree not to revoke this Power of Attorney so long as I / we do business with ISS.
- (g) That I / we do hereby confirm that all the powers hereby conferred may be exercised by any officer of the said Attorney, who is authorized in this regard.
- (h) That I / we agree to indemnify and keep indemnified and hold harmless, ISS and ISE DP from any and all reasonable costs, liabilities and expenses resulting directly or indirectly from all lawful actions and in accordance with proper issued where required.
- (i) That our partners or the Board of Directors of our company, as applicable, have passed a resolution approving this Specific Power of Attorney and have authorized us to sign and execute this Specific Power of Attorney, a copy of which resolution duly attested is enclosed herewith. (This shall be applicable to clients who are partnership firms / corporates)
- (j) That I / we finally agree that the decision of ISS to debit my / our aforesaid beneficiary account as stated herein shall be final and binding on me / us.

SIGNED AND DELIVERED on this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_ by the within-named client.

Signature of the Client \_\_\_\_\_  
 IN THE PRESENCE OF WITNESSES

**Witness 1:**

**Witness 2:**

Name: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Signature: \_\_\_\_\_

**Place:**  
**Date:**  
 I / We accepted (Attorney)  
 Name: For **ISE Securities and Services Ltd.**  
 Address  
 Authorised Signatory: \_\_\_\_\_

**Chapter 14**  
**Chapter 15**  
**Chapter 16**