

# TERMS OF USE

## AGREEMENT BETWEEN STOCK BROKER AND CLIENT (NSE) (Mandatory Clauses)

This agreement is made and executed at .....this.....day of .....20 .....between:  
**M/s. Unicorn Securities Pvt. Ltd.** a body Corporate, Incorporated under the provisions of the Companies Act, 1956, being a member of the **National Stock Exchange of India Ltd.** (hereinafter called "the Exchange"), and having its registered office at **69, IInd Floor, Regal Building, Connaught Circus, New Delhi-110001** (hereinafter called "the stock broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include himself in the capacity of a trading member while trading in the derivatives segment, his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

**And**

Mr./Ms/M/s ..... an individual/a sole proprietary concern/a partnership firm/a body corporate, registered/incorporated, under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its residence/ registered office at (hereinafter called "the client") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part; WHEREAS the Stock Broker is registered as the stock broker of the Exchange with SEBI registration number INB 231283830 in the Capital Market/ Cash Segment of NSE and SEBI registration number INF 231283830 in the Futures & Options Segment of NSE. WHEREAS the client is desirous of investing/trading in those securities/ contracts/other instruments admitted to dealings on the Exchange as defined in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder from time to time. WHEREAS the client has satisfied itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker. WHEREAS the stock broker has satisfied and shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided and WHEREAS the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts. WHEREAS the stock broker and the client agree to be bound by all the Rules, Bye-laws and Regulations of the Exchange and circulars issued thereunder and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time. Now, therefore, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the following terms and conditions:

1. The client agrees to immediately notify the stock broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker at the time of opening of the account or at any time thereafter.

2. The stock broker declares that it has brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:

a. He has read and understood the risks involved in trading on a stock exchange.

b. He shall be wholly responsible for all his investment decisions and trades.

c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.

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

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

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

4. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.

5. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

6. The stock broker agrees that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars/guidelines/Exchanges Rules/Regulations/Bye-laws and circulars.

7. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.

8. The stock broker the relationship between the stock broker and sub broker, value of transactions carried out by sub broker for client agrees to inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange.

9. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result there from.

10. The stock broker agrees that it shall co-operate in redressing grievances of the client in respect of transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.

11. 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.

12. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom it may have had transactions in securities.

13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.

14. The stock broker hereby agrees that he shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him and the Client and that he shall be liable to implement the arbitration awards made in such proceedings.

15. Information about default in payment/delivery and related aspects by a Client shall be brought to the notice of the relevant stock Exchange(s). In case where defaulting Client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of director(s)/

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promoter(s)/ Partner(s)/proprietor as the case may be, shall also be communicated to the relevant stock exchange(s).

16. The Stock broker and the client agree to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.

17. The Stock broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.

18. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.

19. The instructions issued by an authorized representative, if any, of the Client shall be binding on the Client in accordance with the letter authorizing the said representative to deal on behalf of the said client.

20. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled.

21. This agreement shall forthwith terminate if the Stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the Stock broker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled.

22. The stock broker and the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this agreement shall continue to subsist and vest in/ be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

23. In addition to the specific rights set out in this Agreement, the stock broker and the client shall be entitled to exercise any other rights which the Stock broker or the Client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued thereunder or Rules and Regulations of SEBI.

24. Words and expressions which are used in this Agreement, but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder.

25. The stock broker hereby undertakes to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it shall not disclose the same to any person/ authority except as required under any law/ regulatory requirements; Provided however that the stock broker may so disclose information about its his client to any person or authority with the express permission of the client.

26. The client is aware that authentication technologies and strict security measures are required for the internet trading through order routed system and undertakes to ensure that the password of the client and/or his authorised representative are not revealed to any third party.

27. The client agrees that the stock broker shall not be liable or responsible for non-execution of the orders of the client due to any link/system failure at the client/ stock brokers/exchange end.

28. The Stock Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, stock broker shall be entitled to cancel relative contract(s) with client.

29. The stock broker shall also send the Order/Trade confirmation slip through E-mail to the client at his request, within \_\_\_\_\_ (time period as specified by the Client) from the time of execution of order/trade on the NEAT system, as the case may be. The client agrees that the information sent by stock broker by E-mail is deemed to be a valid delivery of such information by the stock broker .

30. The client is aware that the stock broker has provided on the web site a facility for reconfirmation of orders, which are larger than that specified by the stock broker's risk management, by the stock broker and is also aware that the stock broker has the discretion to reject the execution of such orders based on his risk perception.

31. The stock broker and the Client are aware of the provisions of Bye-Laws, Rules and regulations of the Exchange relating to resolution of disputes/ differences through the mechanism of arbitration provided by the Exchange and agree to abide by the said provisions.

32. All trades, transactions and contracts are subject to the Bye-Laws, Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of New Delhi and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in New Delhi for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

33. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations and guidelines issued by SEBI and Stock Exchange rules, regulations and Bye-laws that may be in force from time to time. This agreement can be altered, amended and/or modified by the parties mutually in writing without derogating from the contents of this agreement. Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

## AGREEMENT BETWEEN STOCK BROKER AND CLIENT (BSE) (Mandatory Clauses)

This agreement is made and executed at.....this.....day of .....20 .....between:

**Ms. Unicorn Securities Pvt. Ltd.** a body Corporate, Incorporated under the provisions of the Companies Act, 1956, being a member of the **Bombay Stock Exchange Ltd.** (hereinafter called "the Exchange"), and having its registered office at **69, IInd Floor, Regal Building, Connaught Circus, New Delhi-110001** (hereinafter called "the stock broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include himself in the capacity of a trading member while trading in the derivatives segment, his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the One Part;

**And**

Mr./Ms/M/s ....., an individual/a sole proprietary concern/a partnership firm/a body corporate, registered/incorporated, under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its residence/ registered office at (hereinafter called "the client") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the Other Part;

WHEREAS the Stock Broker is registered as the stock broker of the Exchange with SEBI registration number INB 011282531 in the Capital Market/ Cash Segment of BSE and SEBI registration number INF 011282531 in the Futures & Options Segment of BSE.

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

WHEREAS the client has satisfied itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.

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

WHEREAS the stock broker has taken steps and shall take steps to make the client aware of the precise nature of the Stock broker's liability for

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business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.

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

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

1. The client agrees to immediately notify the stock broker in writing if there is any change in the information in the 'client registration form' provided by the client to the stock broker at the time of opening of the account or at any time thereafter.
2. The stock broker declares that it has brought the contents of the risk disclosure document to the notice of client and made him aware of the significance of the said document. The client agrees that:
  - a. He has read and understood the risks involved in trading on a stock exchange.
  - b. He shall be wholly responsible for all his investment decisions and trades.
  - c. The failure of the client to understand the risk involved shall not render a contract as void or voidable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trades in the segments in which the client chose to trade.
  - d. He is liable to pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
  - e. Payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the closing of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.
3. The Client agrees to pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchange/SEBI.
4. The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time.
5. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
6. The stock broker agrees that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in SEBI Rules and Regulations circulars/guidelines/Exchanges Rules/Regulations/Bye-laws and circulars.
7. The client agrees to immediately furnish information to the stock broker in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.
8. The stock broker the relationship between the stock broker and sub broker, value of transactions carried out by sub broker for client agrees to inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange.
9. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his successors, heirs and assigns shall be entitled to any surplus which may result there from.
10. The stock broker agrees that it shall co-operate in redressing grievances of the client in respect of transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc. in respect of shares and securities delivered/to be delivered or received/to be received by the client.
11. 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.
12. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom it may have had transactions in securities.
13. The client and the stock broker agree to refer any claims and/or disputes to arbitration as per the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder as may be in force from time to time.
14. The stock broker hereby agrees that he shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him and the Client and that he shall be liable to implement the arbitration awards made in such proceedings.
15. Information about default in payment/delivery and related aspects by a Client shall be brought to the notice of the relevant stock Exchange(s). In case where defaulting Client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of director(s)/ promoter(s)/ Partner(s)/proprietor as the case may be, shall also be communicated to the relevant stock exchange(s).
16. The Stock broker and the client agree to reconcile their accounts at the end of each quarter with reference to all the settlements where payouts have been declared during the quarter.
17. The Stock broker and the client agree to abide by any award passed by the Ombudsman under the SEBI (Ombudsman) Regulations, 2003.
18. The stock broker and the client declare and agree that the transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars issued thereunder of the Exchange and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchange for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchange and the circulars issued thereunder.
19. The instructions issued by an authorized representative, if any, of the Client shall be binding on the Client in accordance with the letter authorizing the said representative to deal on behalf of the said client.
20. Where the Exchange cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled.
21. This agreement shall forthwith terminate if the Stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the Stock broker's default, death, resignation or expulsion or if the certificate issued by the Board is cancelled.
22. The stock broker and the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this agreement shall continue to subsist and vest in/ be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
23. In addition to the specific rights set out in this Agreement, the stock broker and the client shall be entitled to exercise any other rights which the Stock broker or the Client may have under the Rules, Bye-laws and Regulations of the Exchange and circulars issued thereunder or Rules and Regulations of SEBI.
24. Words and expressions which are used in this Agreement, but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations of the Exchange and circulars issued thereunder.

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25. The stock broker hereby undertakes to maintain the details of the client as mentioned in the client registration form or any other information pertaining to the client in confidence and that it shall not disclose the same to any person/ authority except as required under any law/ regulatory requirements; Provided however that the stock broker may so disclose information about its his client to any person or authority with the express permission of the client.

26. The client is aware that authentication technologies and strict security measures are required for the internet trading through order routed system and undertakes to ensure that the password of the client and/or his authorised representative are not revealed to any third party.

27. The client agrees that the stock broker shall not be liable or responsible for non-execution of the orders of the client due to any link/system failure at the client/ stock brokers/exchange end.

28. The Stock Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, stock broker shall be entitled to cancel relative contract(s) with client.

29. The stock broker shall also send the Order/Trade confirmation slip through E-mail to the client at his request, within \_\_\_\_\_ (time period as specified by the Client) from the time of execution of order/trade on the BOLT system, as the case may be. The client agrees that the information sent by stock broker by E-mail is deemed to be a valid delivery of such information by the stock broker .

30. The client is aware that the stock broker has provided on the web site a facility for reconfirmation of orders, which are larger than that specified by the stock broker's risk management, by the stock broker and is also aware that the stock broker has the discretion to reject the execution of such orders based on his risk perception.

31. The stock broker and the Client are aware of the provisions of Bye-Laws, Rules and regulations of the Exchange relating to resolution of disputes/ differences through the mechanism of arbitration provided by the Exchange and agree to abide by the said provisions.

32. All trades, transactions and contracts are subject to the Bye-Laws, Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of New Delhi and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in New Delhi for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

33. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations and guidelines issued by SEBI and Stock Exchange rules, regulations and Bye-laws that may be in force from time to time.

This agreement can be altered, amended and/or modified by the parties mutually in writing without derogating from the contents of this agreement.

Provided however, if the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Byelaws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this agreement.

## **THIS AGREEMENT FORMS PART AND PARCEL OF THE AGREEMENT BETWEEN STOCK BROKER & CLIENT (NSE & BSE).**

(Clauses in addition to the Mandatory clauses)

I/we \_\_\_\_\_ ("the client") hereby state and acknowledge that I/We have read and understood the terms and conditions of securities and Derivatives trading of Unicon Securities Private Limited ("the Stock Broker/Member" ), appearing hereunder and I/We shall abide by the same.

### **A. DEFINITIONS**

(a) "**Exchange**" shall mean and include the "National Stock Exchange of India Limited" and "Bombay Stock Exchange Limited as the case may be.

(b) "**SEBI**" shall mean "Securities and Exchange Board of India".

(c) "**Exchange Provisions**" means the Rules, Bye-laws, Regulations, Business Requirement, Specifications, handbooks, notices, circulars and resolutions of the Exchange or any segment of the Exchange in force from time to time and includes the Internet Trading Rules and Regulations of the Exchange as amended from time to time.

(d) "**Internet**" Internet refers to the networks of computers/mobile phones/other electronics devices which share and exchange information.

The internet is a world wide broadcasting capability mechanism for information dissemination and a medium for collaboration and interaction between individuals and their computers/mobile phones/other electronics devices capable of accessing the internet without regard for geographic location.

(e) "**Internet Trading**" means Internet based Trading System, being a system approved by the Exchange for enabling clients to route their orders to their Stock Broker/s over the internet.

(f) "**Trading Account Application**" means the application submitted by the Client to the Stock Broker to permit the Client to avail of the Stock Broker's Trading Service including Internet Trading Service.

(g) "**Internet Trading Service**" or "Service" means the service offered by the Stock Broker to its clients through Internet Trading System whereunder the clients can route their orders for purchase, sale and other dealings in securities through the Stock Broker's Internet Trading System.

(h) "**Stock Broker's Internet Trading System**" or "**Stock Broker's Internet Trading WebSite**" means the web site hosted by the Stock Broker on the internet through which the Stock Broker offers the Internet Trading Service and includes the hardware and software used for hosting and supporting the WebSite.

(i) "**Password**" means an alphanumeric code used by the Client to validate his/her username and access the Service.

(j) "**Username**" means an alphanumeric login identification used by the Client for accessing the Service.

(k) "**Electronic Payment Gateway for Net banking services**" Electronic Payment Gateway for Net banking services is the stock broker service which provides access to account information, the internet with the help of concerned bank. The terms Electronic Payment Gateway for Net banking and Electronic Payment Gateway for Net banking services/facility may be interchangeably used.

(l) "**Customer/Client**" Customer/Client refers to any person who has a trading account and who has been authorized by the stock broker to avail of the said facility.

(m) "**Account**" Account refers to the customers/clients saving and /or current account to which access is to be obtained through Electronic Payment Gateway for Net banking.

(n) "**Personal Information**" Personal information refers to the information about the customer/client obtained in connection with Electronic Payment Gateway for Net banking or otherwise.

### **General Terms and Conditions**

1. The Provisions of these terms and conditions and all transactions that are carried out by and/or on behalf the client, shall always be subject to the rules

regulations, guidelines and circulars issued by the stock Exchange, their clearing houses, if any, on which such transactions are executed and/or cleared by the stock broker that may be in force from time to time , the reserve bank of India and the NSDL and CDSL , the Securities Contract Regulations Act and the Rules made there under, and any applicable statutory provisions and rules or regulations. The Stock Broker is under no obligation to inform the client of changes in these rules, regulations or guidelines etc.

2. The Client agrees that he will not act as a sub broker without prior written permission of the stock broker / member.

3. Where the client is a Non Resident Indian, he agrees to abide by the Foreign Exchange Management Act and Rules and Regulations issued there under from time to time.

4. The client shall transmit his/its orders to the stock broker through the Internet over the stock broker's website, or through telephone or in such manner as the Stock Broker may permit.

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5. The Stock Broker shall have the right to retain and/or set-off and adjust any amounts payable to the Client against any present or future receivable from the Client (whether accrued or contingent). More particularly, the Stock Broker shall have the right to:

- (i) Set off and adjust all securities of the Client lying with the Stock Broker across segments and/or Exchanges for the settlement of the Client's outstanding positions in any segment of Exchange, without any reference or notice to the Client.
- (ii) Set-off and adjust all funds, receivables margins of the Client lying with the Stock Broker, as well as all securities of the Client lying with the Stock broker/pledged in favour of the of the Stock Broker, against all present and future dues an receivables of, and amounts payable by, the Client in relation to any other service or agreement or for the settlement of the client's outstanding positions in relation to such other service, without any reference or notice to the Client.
- (iii) Setoff and adjust all funds, receivable , margins of the client lying with the stock broker, and/or any amounts payable to the client against all dues and receivables of , and amounts payable by the client, across segments and/or Exchanges for the settlement of dues and/or for margin requirements, of the client , without any reference/notice to the client.

The client hereby waives any and all objection to, and authorizes the Stock Broker to adjust/appropriate his/its funds, receivables and margins and/or securities as aforesaid.

6. The Client agrees and undertakes to immediately deposit with the Stock Broker such cash, securities or other acceptable security, which the Stock Broker may 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 Exchange. 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 so long as the Client desires to avail of the Stock Broker's Service. If the client fails to maintain such margins the Stock Broker may sell, dispose, transfer or deal in any other manner the securities already placed with it as margin or square off all or some of the positions of the Client as it deems fit in its discretion and the Stock Broker is hereby fully indemnified and held harmless by the Client in this behalf.

7. The Stock Broker may require the client to deposit interest free margin in the form of cash or securities of the price of securities proposed to be sold, unless the Stock Broker has received the securities to be sold with valid transfer documents to the Stock Broker's satisfaction prior to such sale.

8. The Client agrees and authorizes the Stock Broker to determine the Market value of securities placed as margin after applying a haircut that the Stock Broker deems appropriate. The Client's positions are valued at the latest market price available ('marked to market') on a continuous basis by the Stock Broker. The Client undertakes to monitor the adequacy of the collateral and the market value of such securities on a continuous basis. If due to price fluctuations, there is erosion in the value of the margins, the Client agrees to replenish any shortfall in the value of the margins immediately, whether or not the Stock Broker intimates such shortfall.

9. The Stock Broker agrees to provide the Stock Broker's Internet Trading Service to the Client, and the Client agrees to avail of the Stock Broker's Internet Trading Service, on and subject to the terms and conditions of this Agreement, the Exchange Provisions and the terms of the Stock Broker's Internet Trading Web Site [www.uniconindia.in](http://www.uniconindia.in).

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10. The Client is responsible for installing and maintaining the communication equipment (including personal computers and modems) and telephone or alter native service required for accessing and using the web site or related service. All communication costs, service charges, levels and fees incurred by the Client in accessing the web site or related services will be borne by the Client.

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

12. The Client will be entitled to a username and password, which will enable him to access the Stock Broker's Internet Trading System for availing of the Service.

13. The Client is aware that the Stock Broker's Internet Trading System itself generates the initial password and that the Stock Broker is aware of the same.

The Client agrees and undertakes to immediately change his initial password upon receipt thereof. The Client is aware that subsequent passwords are not known or available to the Stock Broker.

14. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered

and transactions done by any person whosoever through the Stock Broker's Internet Trading System using the Client's Username and/or Password whether or not such person was authorised to do so.

15. The Client shall immediately inform the Stock Broker of any unauthorised use of the Client's Username or Password with full details of such unauthorised use including the date of such unauthorised use, the manner in which it was unauthorisedly used, the transactions effected pursuant to such unauthorised use, etc.

16. The Client acknowledges that he is fully aware of and understands the risks associated with availing of a service for routing orders over the internet including the risk of misuse and unauthorised use of his Username and/or Password by a third party and the risk of a person hacking into the Client's account on the Stock Broker's Internet Trading System and unauthorisedly routing orders on behalf of the Client through the System. The Client agrees that he shall be fully liable and responsible for any and all unauthorised use and misuse of his Password and/or Username and also for any and all acts done by any person through the Stock Broker's Internet Trading System on the Client's Username in any manner whatsoever.

17. The Client shall log off from the Internet Trading Service at any time the Client is not accessing or using the Service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall borne solely by the Client.

18. Without prejudice to the provisions of Clause 16, the Client shall immediately notify the Stock Broker in writing with full details if :

- (i) he discovers or suspects unauthorised access through his Username, Password or account,
- (ii) he notices discrepancies that might be attributable to unauthorised access,
- (iii) he forgets his password or
- (iv) he discovers a security flaw in the Stock Broker's Internet Trading System.

In any of the above events specified in Clause 18, 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 his Password having been unauthorisedly changed by some other person or for any other reason then the Client shall immediately request the Stock Broker in writing to discontinue his old Password; and thereupon the Stock Broker shall cause the Stock Broker's Internet Trading System to discontinue the use of the Client's old Password and the Stock Broker's Internet Trading System shall generate a new Password for the Client which shall be communicated to the Client. At no point in 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.

19. All orders for purchase, sale or other dealings in securities and other instructions routed through the Stock Broker's Trading System via the Client's Username shall be deemed to have been given by the Client.

21. The orders and instructions and all contracts and transactions entered into pursuant thereto and the settlement thereof will be in accordance with the Exchange Provisions.

22. The Stock Broker may from time to time impose and vary limits on the orders which the Client can place through the Stock Broker's Trading 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 Client is aware and agrees that the Stock Broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Stock Broker's risk perception and other factors considered relevant by the Stock Broker,

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and the Stock Broker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client agrees that the Stock Broker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the Stock Broker's Internet Trading System on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the Stock Broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in securities through the Stock Broker.

23. Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on the Stock Broker's Internet Trading System, the Stock Broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.

24. 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.

25. In case of a market order, the Client agrees that he will receive the price at which his order is executed by the exchange's computer system; and such

price may be different from the price at which the security is trading when his order is entered into the Stock Broker's Internet Trading System.

26. The Client accepts responsibility for knowing the status of all corporate benefits like rights and bonus issued, dividends and stock splits of shares he/she/it intends to trade in or held on his/her/its account and the eligibility of the shares to meet share pay in obligations to exchanges whether received by way of purchases, right bonuses, stock split, off market transfer otherwise. Stock Broker will pass to the Client whatever corporate benefits are received from the companies directly like dividends and bonus shares.

27. Corporate benefits/actions like Rights issued/Open offers etc., where shareholders are required to apply to the company, it is the Client's responsibility to track announcements of such corporate benefits and then apply to the company, if Clients so desires.

28. The Stock Brokers shall ensure due protection to the clients regarding client's right to dividends, rights or bonus shares, etc., in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the clients with whom and for whom it may have had transactions in securities. Stock Broker shall not be liable for any real / notional loss suffered by the Clients, if the Client fails to apply for such corporate benefits in time for the shares held by the Stock Broker on behalf of the Client. In some cases, Stock Broker at the Clients' request may apply on behalf of the Client for the Rights issued/Open offer for the shares held by Stock Broker on behalf of Client. Stock Broker shall not be liable or any loss / claim whatsoever incase such application is rejected by the Registrar/Company Manager to the issue for any reason.

29. Notwithstanding anything contained in these terms, any amounts which are overdue from the Client to the Stock Broker will be charged delayed payment charges at the rate of 2% per month or such other rate as may be determined by the Stock Broker and Notified on the web site and the Client hereby authorises the Stock Broker to directly debit the same to the account of the on daily basis as on deemed fit by Stock Broker.

30. The Client agrees that the Stock Broker shall not be obliged to deliver any Securities or pay any Securities or pay any money to the Client unless and until the same has been received by the Stock Broker from the Exchange, the Clearing Corporation/House unless the Stock Broker otherwise determines, and subject to the Stock Broker's right to set off and other rights, the securities to be delivered by the Stock Broker to the Client pursuant to the Client's purchase of transaction shall be credited to the designated depository account of the Client and the sale proceeds by the Stock Broker to the Client shall be deposited to the designated bank account of the Client.

31. All the Securities and monies belonging to the Client in any depository or bank account or in mutual fund units or any other instruments which is under the control of or in the possession of the Stock Broker shall be subject to a lien for the discharge of any obligation or indebtedness of the Client or the Stock Broker of the Client's Group to the Stock Broker. In enforcing the lien, the Stock Broker shall have the sole discretion of determining the Securities or assets that are to be liquidated.

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32. Upon execution or cancellation of any order placed through the Stock broker's system, the Client shall be given a confirmation, on the Website or electronic mail or SMS or any other means after the execution of the order/trade and this shall be deemed to the valid delivery thereof by the Stock broker. It shall be the responsibility of the Client to review, immediately upon receipt, whether delivered to him on line, by postal mail or by courier or by electronic mail or SMS or any other electronic means, all confirmation of order, transactions, or cancellations. It shall be the responsibility of the Client to follow up with the Stock Broker for all such confirmations that are not received by him within stipulated time.

33. The Client shall bring any errors in any report, statement, confirmation or contract note of executed trades (including executions prices, scrips, or quantities) to the Stock Broker's notice in writing or by an electronic mail within 24 hours of receipt of the concerned report, statement, confirmation or contract note. Any other discrepancy in the confirmation or account shall be notified by the Client to the Stock Broker in writing via electronic mail within 24 hours from the time of receipt of the first notice.

34. There may be a delay in the Stock Broker receiving reports of transaction(s)/status from the respective exchanges or other agencies in respect of or in connection with which the Stock broker has entered into contracts or transactions on behalf of the Client(s). Accordingly the Stock Broker may forward to the Client late reports in respect of such transaction that were previously unreported 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 the report/statements computed by, or received from the Exchange or any agencies.

35. The Stock Broker may, at its sole discretion, reject any order placed on the Website or any other manner for any reason including, but not limited to, the non-availability of funds in the trading account of the client, non-availability of securities in the Demat account of the client with a designated depository participant, insufficiency of margin amount if the Client opts for Intra day trading, suspension of scrip for trading activities by or on the exchange, and the applicability of circuit breaker to a scrip in which order are placed.

36. The Client agrees that where an order has been placed through the Website and such order is not accepted on the website for any reason, the Stock Broker shall have the right to treat the order as having lapsed.

37. The client is aware that the electronic trading systems either at the Exchange or in the Stock Broker's offices are vulnerable to disruption, breakdowns

or failures. In the event of non-execution of trade orders or trade cancellation due to the happening of such events or vulnerabilities due to failure/disruption/breakdown of system or link, the Client may not be able to execute the desired transactions. In such event the Stock broker does not accept responsibility for the losses, costs, expenses or damages that may be incurred by the client due to such eventualities.

38. The systems used by the Stock Broker for providing E-Trading services or dial up services are generally capable of assessing the risk of the Client as soon as the order comes in, however due to any reason whatsoever, if the order is processed without sufficient risk cover from the Client, the Client shall be bound by such trade and shall provide such sum as may be required to meet his liability under the trade.

39. Online confirmation will be available to the Client upon execution or cancellation of an order placed by him through the Stock Broker's Trading System.

This shall be followed by a confirmation, which may be sent by postal mail, electronic mail or any other means. It is the responsibility of the Client to review upon first receipt, whether delivered to him online, by postal mail, by electronic mail, or other electronic means, all confirmations of transactions or cancellations.

40. The Stock Broker shall issue contract notes in term of the SEBI (Stock Brokers and Sub-Brokers) rules and Regulations, 1992 within 24 hours of the execution of the trade. Such contract notes may be sent by a digitally signed electronic mail and posted on the Website or if issued in physical form, shall be dispatched by the Stock Broker by courier/mail post or through any other medium of communication, at the address mentioned in the Agreement or at any other address expressly informed to the Stock Broker by the Client. The Client consents and agrees to the Stock Broker issuing the contract note in digital form and receiving the same by means of electronic communication. The Client acknowledges and agrees that non-receipt of bounced mail notification by the Stock Broker shall amount to delivery of the contract note at the e-mail ID of the Client. The email address of the Client for the

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purpose of receiving the contract notes shall be the address as available with the Stock Broker. Notwithstanding anything contained herein, the Stock Broker may send contract notes, bills or statements of account or trade confirmation by email or by courier/mail post at the address mentioned in the client registration form or at any other address expressly informed to the Stock Broker by the Client. The Stock Broker shall not be responsible for non-receipt of trade confirmations/contract notes due to any change in the correspondence address of the Client and the same not intimated to the Stock Broker in writing. The Client is aware that it is his responsibility to review trade confirmations, contract notes, bills or statements of account immediately upon their receipt. All information contained therein shall be binding upon the Client, if the Client does not object to the Stock Broker in writing to any of the contents of such trade confirmation/intimation within 24 hours of issuance of the same by the Stock Broker.

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

42. Unless the Client informs the Stock Broker of the change of the address for communication in writing all notices, circulars, communications or mail sent to the existing address shall be deemed to have been received by the Client irrespective of whether they are actually received or not."

43. Certain policies and / or procedures may be further outlined on the Stock Broker's web site and the material/literature on frequently asked question (FAQ's) be provided to the Client. Through the use of the Stock Broker's web site and services the Client agrees to be bound by such notices, policies and terms of doing business provided/posted by the Stock Broker on its website.

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

45. In case where the payment by the clients towards the Margin/Payins is made through cheque issued in favour of the Stock Broker, the said cheque will be credited to the clients account only after realization of funds in the Stock Broker's bank account.

46. The Stock Broker discloses herewith that it may undertake proprietary trading in addition to client based trading.

47. The Client agrees that none of the services available on the Website or through any literature or brochure issued by the Stock Broker shall amount to investment advice on the part of the Stock Broker.

48. The Client may access or be able to access investment research report or opinions through the Internet or the Website including but not limited to computerized online service or other media. The availability of such information does not constitute a recommendation to buy or sell or hold or transact in any of the investment products or securities available or made available with or by the Stock Broker. Any and all investment decisions will be based on the Client's own evaluation of financial circumstances and investment objectives and Client's assessment of capital to be put to risk. Any real time quotes provided are only for Client's individual use and Client shall not furnish such data to others.

49. The Client agrees that each participating exchange or association or agency or individual or person that supplies any data displayed on the Website asserts a proprietary interest in such data. Neither the Stock Broker nor any participating exchange or association or agency or individual or person or any supplier of market or market based data guarantee the timeliness, sequence, accuracy, completeness, reliability or content of market information, or messages made available on the Website and the same are available on an "as is" basis without warranties of any kind, either express or implied including without limitations those of merchantability and/or fitness for a particular purpose.

50. When the Client places a request to cancel an order, the cancellation of that order is not guaranteed. The order will only be cancelled if the Client's request for cancellation is received and the order is successfully cancelled before it is executed.

51. The Client shall not be entitled to presume an order as having been executed or canceled until a confirmation from the Stock Broker is received by the Client.

52. The Exchange may annul a trade suo-moto without giving a reason thereof. In the event of such annulment, the Stock Broker shall be entitled to cancel the relative contract(s) with the Client.

53. The Client agrees to pay the Stock Broker brokerage, commission, fees, service tax and other taxes and transaction expenses as they exist from time to time and as they apply to the Client's account and transactions, and the services that he receives from the Stock Broker.

54. A schedule of brokerage, fees and commissions, applicable service and other taxes and other transaction expenses shall be provided by the Stock Broker to the Client from time to time upon request by the Client.

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

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

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

58. The Client assumes full responsibility Financial or otherwise with respect to his investment decisions and transactions.

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

60. The Client represents and warrants to the Stock Broker that:

60.1 All the information provided and statements made in the Client's Trading Account Application/ know your client form 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 Broker's Trading Service to the Client on the basis, inter alia, of the statements made in the Client's Trading Account Application/know your client form.

60.2 The Client is aware and acknowledges that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. which are susceptible to interruptions and dislocations; and the Stock Broker's Internet Trading Service may at any time be unavailable without further notice. The Stock Broker and the Exchange do not make any representation or warranty that the Stock Broker's Internet Trading 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 Exchange or the Stock Broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock Broker's Internet Trading System or Service or the Exchange's service or systems for any reason whatsoever.

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

60.4 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 completed by the Client prior to such transaction being entered into.

60.5 The Client shall abide by the Exchange Provisions and the terms of the Stock Broker's Internet Trading WebSite in force from time to time.

60.6 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.

61. The Stock Broker represents and warrants to the Client that :-

The Stock Broker's Internet Trading System has been approved by the Exchange. Where the Internet Trading system has not been approved by the Exchange, the Stock Broker has applied/ proposes to apply to the Exchange to approve the said Internet Trading System and the Stock Broker will commence the Stock Broker's Internet Trading Service only after the Exchange has approved the Stock Broker's Internet Trading System.

62. The Client understands that the Exchange asserts a proprietary interest in all of the market data it furnishes, directly or through the Stock Broker or

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otherwise. The Client understands that the Exchange does not guarantee the timeliness, sequence, accuracy or completeness of market data or any other market information, or any messages disseminated by it. Neither the Stock Broker nor the Exchange shall be liable in any way for incorrect, misleading, incomplete or dated data or information and, if the Client acts on the basis of the same, he shall do so at his own risk and cost.

63. The Client shall not furnish market information provided by the Exchange 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.

64. Any notice or other communication to be given by any party to the other in connection with this Agreement shall be in writing and shall be deemed duly served if delivered personally or sent by facsimile transmission or by prepaid registered post or by e-mail to the addressee at the address or (as the case may be), the e-mail or facsimile number (if any), of that party set opposite its name below:

To the Stock Broker at:

Unicon Securities Pvt. Ltd.

69, IInd Floor, Regal Building, Connaught Circus, New Delhi-110001.

e-mail : helpdesk@uniconindia.in

To the Client at:

Name :

Address :

Fax # :

e-mail :

or at such other address, facsimile number or e-mail address as the party to be served may have notified the other in accordance with the provisions of this Clause.

Notwithstanding anything stated above, communication relating to orders, margins, maintenance calls and other similar matters in the ordinary course of dealings between the Stock Broker and the Client may be communicated orally.

65. The Stock Broker and/or its agents will not be liable for losses caused directly or indirectly by government restriction, Exchange or market rulings, suspension of trading, computer, communication, telephone or system failure, war, earthquakes, flood, accident, power failure, equipment or software malfunction, strikes or any other conditions beyond the Stock Broker's control.

66. The Client hereby acknowledges and agrees to the use of voice recording devices by the Stock Broker of any telephone conversation between the Stock Broker and the Client and any of the Client's authorised persons, employees, officers or agents, with or without an automatic tone warning device in order to permit the Stock Broker to verify data concerning any matters relating to the purchase and/ or sale of Securities.

67. The Client confirms that the Stock Broker may tape record conversations with the Client in order to permit the Stock Broker to verify information concerning any matter. The Client agrees to accept the contents of any such recording as final and conclusive evidence of communications from the Client given by the Client or on behalf of the Client in case of dispute.

68. If the Client executes a power of attorney in favour of the Stock Broker in relation to the operation of its bank account, the Stock Broker shall be authorised to directly operate the bank account of the Client to the extent necessary to credit and debit the proceeds/dues from the various transaction that are carried out by the Stock Broker on behalf of the Client, and also to debit. (i) Margin due or shortfall in Margin due from the Client, and (ii) Any other charges or dues from the client. The Client also agrees and shall authorise the designated bank to block the required amount in the designated bank account against the desired limits and settlement obligation solely on the instruction from the Stock Broker in this regard, once the amounts in the account are blocked, the Stock Broker shall if the order of the Client gets executed either fully or partially, instruct the bank to transfer the amount equal to the obligation under the contract to the Stock Broker's account on the settlement date or the Pay-in Pay-out date and release the balance amount that are blocked in the case where the order of the Client is partially executed of the full amount that is blocked in case where the order does not get executed. The Client shall not withdraw, issue a cheque or otherwise use the blocked funds in its account. The Stock Broker will not be liable in any manner for any loss or claim that may arise due to any blocking of funds that may be erroneously instructed by the Stock Broker to the designated bank.

69. If the Client executes a power of attorney in favour of the Stock Broker for the operation of his its depository account authorising the Stock Broker to directly enable the transfer of relevant securities to the pool account/margin account of the Stock Broker through the issue of the necessary delivery instruction duly signed on behalf of the Client and to pledge, sale, dispose, transfer or deal in any other manner the securities placed by the Client with the Stock Broker as margin lying in the depository account. Notwithstanding the execution of the Power of Attorney, the Client shall also authorise the designated depository to block the securities sold in the designated depository account against the client's order to sell securities. Once the securities in the accounts are blocked the Stock Broker shall, if the order of the Client is executed either fully or partially, instruct the depository participant to transfer the securities which are sold, to the Stock Broker's security Pool account in time to meet settlement obligations and release the balance securities that were blocked in the case of partial execution or all the securities that were blocked in the case of non execution. The Client agrees that it will not be allowed to pledge, instruct transfer or otherwise use the blocked securities in its account. The Client also agrees that the blocking of the securities will be given first priority as against any other instruction issued by it against the blocked securities. The Client shall be entitled to exercise the right to close/freeze/pledge the accounts with the depository participant and/or the bank, as the case may be, only if there is no obligation pending to be met by the Client to the Stock Broker and/or to, any Stock Broker of the Client's Group in the form of cash and/or security.

70. In this clause: (1) "Electronic Payment Gateway for Net banking Terms and Conditions" shall mean the terms and conditions as modified from time to time applicable to Electronic Payment Gateway for Net banking offered through the Stock Broker in the HDFC or other bank a/c and accepted by the customer ;"Confidential Information" refers to information obtained by the client, through the Stock Broker, for the effective availment of services or Payment instructions Services" Electronic Payment Gateway for Net banking services (2)"Payment instruction" shall mean an instruction given by a client to transfer funds from the account held by the client to the account of the Stock Broker.

70.1 The Stock Broker may offer Electronic Payment Gateway for Net banking to selected customers as its discretion in collaboration with the concerned bank .The client agrees that in order to be eligible for Electronic Payment Gateway for Net banking it/he/she would need to be current internet user or have access to the internet and knowledge of how the internet works and have net banking facility with its/his/her bank. The client accepts that the application for Electronic Payment Gateway for Net banking does not automatically imply acceptance by the Stock Broker.

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

70.3 The Stock Broker shall endeavor to provide through Electronic Payment Gateway for Net banking, such services as the may decide from time to time. The Stock Broker reserves the rights to decide the type of services which may be offered on each account and may differ from client to client. The Stock Broker may also make addition/deletions to the services offered through Electronic Payment Gateway for Net banking as its sole discretion. The availability/non-availability of a particular service shall be advised through e-mail or web page of the Stock Broker or written communication. (a) In case of joint accounts and accounts with two or more signatories, the Stock Broker will offer such services as restricted by the terms and condition governing the operation of such accounts.(b) In case of minor accounts the natural guardian undertakes to give all instruction relating to the operation of the account and further undertakes not to reveal the Client ID and Password to the minor).The Stock Broker shall take reasonable care to ensure the security of and prevent unauthorized access to the Electronic Payment Gateway for Net banking service using technology

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reasonably available to the Stock Broker. d) The client agrees that it/he/her shall not use or permit to use Electronic Payment Gateway for Net banking or any related service for any illegal or improper purposes.

70.4 The client understand that the Stock Broker would allot them a Customer ID and Password for their account which will enable them to have access to Electronic Payment Gateway for Net banking to perform Net banking for bank account. The client will be required to change the password assigned by the Stock Broker on accessing Electronic Payment Gateway for Net banking for the first time. As a safety measure the client changes the password the frequently thereafter-as possible. In the absence of any specific request from then for personally collecting the password, the password shall be sent to the client by courier at its/his/her risk and consequences to the address notified by them for correspondence, and the Stock Broker shall be not liable or held responsible in any manner whatsoever, If the Password falls in the hands of unauthorized person/s.

70.5 In addition to Customer ID and Password the Stock Broker may, at its discretion, require the client to adopt such other means of authentication including but not limited to digital certification and/or smart cards. The client agrees that it/he/she shall not attempt or permit others to attempt accessing the account information stored in the computer of the Stock Broker through any means other than the Electronic Payment Gateway for Net banking service. The client is aware that the transaction through Electronic Payment Gateway for Net banking can be effected by use of their password for their Stock Broker account and passwords for net banking for the operation of their bank account for net banking. The client shall not request/demand any evidence of proof for transactions undertaken through the net and the audit trail of the log-in would be conclusive proof to establish that the transactions are bonafide.

70.6 The client understands and agrees that its/he/she must:

- a) Keep the password totally confidential and not reveal the password to any third party.
- b) Choose a password shall consist of a mix of alphabets, numbers and special characters which must not related to any readily accessible personal data such as it/his/her name, address, telephone numbers, driver license etc. or easily guess able combination of letters and number.
- c) Commit the password to memory not record them in a written or electronic form, and
- d) Not let any unauthorized person have access to their computer or leave the computer unattended while accessing Electronic Payment Gateway for Net banking.

e) In case of client forgets the passwords for their account in their Stock Broker, it/he/she can request for change of password. Such replacement shall not be construed /deemed as the commencement of a new contract.

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

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

70.8 The client hereby acknowledges that it/he/she is availing the payment instruction service at it/his/her own risk. These risks would include but not be limited to the following risks:

- a) Misuse of Password: The client acknowledge that if any third person obtains access to their password of the customers, such third person would be able to provide payment instructions to the Stock Broker. They shall ensure that the terms and conditions applicable to the use of password as contained in the Electronic Payment Gateway for Net banking terms and conditions are complied with at all times.
- b) Internet frauds: The internet per se is susceptible to a number of frauds, misuse, hacking and other actions which could affect payments instructions to the Stock Broker. While the Stock Broker shall aim to provide security to prevent the same, there can not be any guarantee from such internet frauds, hacking and other actions, which could affect payments instruction to the Stock Broker. The client shall separately evolve/evaluate all risks arising out of the.
- c) Mistake and Errors: The filling in of applicable data for transfer would require proper, accurate and complete details. For instance, the client is aware that they would be require to fill in the account number of the Stock Broker to whom the funds are to be transferred to incorrect accounts and there is no guarantee of recovery thereafter. The client shall therefore take all care to ensure that there are no mistake and errors and that the information given by me/us to the Stock Broker in this regard is error free, accurate, proper and complete at all points of time. On the other hand in the event of our Account receiving an incorrect credit by reason of a mistake committed by some other person, the Stock Broker of the bank shall be entitled to reverse incorrect credit at any time whatsoever without the consent of the customer. I/we shall be liable and responsible to Stock Broker and accede to accept the Stock Broker's instructions without questions for any unfair or unjust gain obtained by me as a result of the same.
- d) Transactions: The transactions, which the client has made to may require, the transfer of the funds may not fructify. The Stock Broker is merely providing it/him/her services and hereby the said funds would be transferred from their instructions.
- e) Technology Risk: The technology for enabling the transfer funds and the other services offered by the Stock Broker could be affected by virus or other malicious, destructive or corrupting code, program me or macro. It may also be possible that the site of the Stock Broker or the bank may require maintenance and during such time it may not be possible to process the request of customers. This could result in delays in the processing of instructions or failure in the processing of instructions and other such failures arid inability. The client understand that the Stock Brokers disclaims all and any liability, whether direct or indirect, whether arising out of loss of profit or otherwise arising out of any failure or inability by the Stock Broker to honor any customers instruction for whatsoever reason. The client understand and accept s that the Stock Broker shall not be responsible for any of the aforesaid risks. The client shall be bound by such limits imposed and shall strictly comply with them.
- f) The client is aware that the Stock Broker may from time to time impose maximum and minimum limits on funds that may be transferred by virtue of the payments transfer service given to it/him/her hereunder. The client realizes and accepts and agree that the same is to reduce the risk on it/him/her for instance the Stock Broker may impose transaction restriction within particular period or amount restriction with in a particular period or even each transaction limits. The client shall be bound by such limits imposed and shall strictly comply with them.
- g) The client shall indemnify the Stock Broker from against all losses and damages that may be caused as a consequence of breach of any of the Electronic Payment Gateway for Net banking Terms and Conditions and the Term and conditions mentioned herein above.
- h) The Stock Broker shall be entitled to withdraw this service at any time whatsoever without giving any reasons for the same.

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- i) The client hereby agrees to bear the charges as may be stipulated by the Stock Broker from time to time for availing of these services.  
j) The client agrees that by use of this facility, the client shall be deemed to have agreed to all above terms and conditions shall be bound on it/him/her in the same manner as if it/he/she has agreed to the same in writing.

Electronic Payment Gateway for Net banking transactions in the customer's account(s) are permitted only after authentication of the Customer-ID and password. The client agrees that they grant express authority to the Stock Broker or the bank for carrying out transactions performed by them through Electronic Payment Gateway for Net banking. The Stock Broker shall have no obligation to verify the authenticity of any transaction received from the client through Electronic Payment Gateway for Net banking or purporting to have been sent by them via Electronic Payment Gateway for Net banking other than by means of verification of their Customer-ID and the password.

The display or printed output that is produced by the client at the time of operation of Electronic Payment Gateway for Net banking is a record of the operation of the internet access and shall not be construed as the Stock Broker's record of the relative transactions. The Stock Broker's or bank own record of transaction maintained through computers systems or otherwise shall be accepted as conclusive and binding for all purpose unless any discrepancy is pointed out within one week from the date of access or from the date of sending the periodical statement, whichever is earlier.

All transaction from the use of Electronic Payment Gateway for Net banking, to operate joint account, shall be binding on all the joint account holders, jointly and severally.

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

70.10 The client complies with the terms and advise the Stock Broker and the bank written under acknowledgement immediately after it/he/she suspect that their Customer-ID or password is known to another person and/or notice an unauthorized transaction in their Electronic Payment Gateway for Net banking account. The client agrees that it/he/she shall be liable for loss from unauthorized transaction in the Electronic Payment Gateway for Net banking accounts if it/he/she has breached the terms or contributed or caused the loss by negligent actions such as the following.

- a) Keeping a written or electronic record of Electronic Payment Gateway for Net banking password.
- b) Disclosing or failing to take all reasonable steps to prevent disclosure of the Electronic Payment Gateway for Net banking password to anyone including Stock Broker staff and/or failing to advise the Stock Broker of such disclosure within reasonable time.
- c) Not advise the Stock Broker and the bank in a reasonable time about unauthorized access to or erroneous transaction in the Electronic Payment Gateway for Net banking account. The Stock Broker shall in no circumstance be held liable to the customer if Electronic Payment Gateway for Net banking access is not available in the desired manner for reasons including but not limited to natural calamity, floods, fire and other natural disasters, legal restraints, faults in the telecommunication network or internet or network failure, software or hardware error or any other reason beyond the control of the Stock Broker. The Stock Broker shall under no circumstances be liable for any damages whatsoever whether such damages are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss of any character or nature whatsoever and whether sustained by the client.

71. The client agrees that the Stock Broker or its contracts may hold and process the client's personal information on computer or otherwise in connection with Electronic Payment Gateway for Net banking services as well as for statistical analysis and credit scoring. The client also agrees that the Stock Broker may disclose, in strict confidence, to their institutions, such personal information as may be reasonable necessary for reasons inclusive if, but not limited to, the following.

- a) For participation in any telecommunication or electronic clearing network in compliance with a legal directive.
- b) For credit rating by recognized credit scoring agencies.
- c) For fraud prevention purpose.

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

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

- a) The client may request for termination of the Electronic Payment Gateway for Net banking facility any time giving by a written notice of at least 15 days to the Stock Broker. The client agrees that he/she it will remain responsible for any transaction made on their Electronic Payment Gateway for Net banking account(s) through Electronic Payment Gateway for Net banking prior to time of such cancellation of the Electronic Payment Gateway for Net banking service.
- b) The closure of all the account of the client will automatically terminate the Electronic Payment Gateway for Net banking service.

The Stock Broker may suspend or terminate Electronic Payment Gateway for Net banking facilities without prior notice if these terms and conditions are breached or even otherwise without assigning any reason.

72. The Client understands and agrees that the Stock Broker may discontinue his Trading Service in part or in its entirety and change the terms of the Service (including the terms on the Stock Broker's Internet Trading WebSite) at any time and from time to time, without prior notice.

73. The stock broker and the client shall be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this agreement shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be. 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 notice of such termination or suspension to the Client.

74. In the event of any provisions of this Agreement being held to be or becoming invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from the said provision which will be deemed deleted. The parties shall however attempt to replace the deleted provision with a legally valid provision that reflects the same purpose as the deleted provision to the greatest extent possible.

75. No forbearance, relaxation or inaction by any party at any time to require 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.

76. This Agreement shall be governed by and construed in all respects in accordance with the laws of the Republic of India and, subject to the provisions of Clause 78 the courts at New Delhi, India shall have jurisdiction over this Agreement and the arbitration proceedings in relation to the Agreement.

77. This Agreement and all contracts and transactions between the Stock Broker and the Client pursuant hereto shall be subject to the Exchange Provisions, the Rules, Bye-Laws, Regulations, and other provisions of its clearing house, if any, the provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act of 1956 and the rules and regulations made thereunder and as amended from time to time.

78. 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 Exchange and shall be subject to the arbitration procedure as prescribed by the Exchange

Provisions.

## **COMBINED RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET /CASH SEGMENT AND FUTURES & OPTIONS SEGMENT (To be given by the broker to the client)**

This document is issued by the member of the National Stock Exchange of India Ltd. (hereinafter referred to as "NSE") / The Bombay Stock Exchange Ltd.,

Mumbai (hereinafter referred to as "BSE") which has been formulated by the Exchanges in coordination with the Securities and Exchange Board of India (hereinafter referred to as "SEBI") and contains important information on trading in Equities and F&O Segments of NSE / BSE. All prospective constituents

should read this document before trading on Capital Market/Cash Segment or F&O segment of the Exchanges.

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

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

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

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

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

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

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

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

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

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

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

Most Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc". The placing of such orders (e.g., "stop 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 trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the stock reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a stock / contract might penetrate the predetermined price, in which case, the risk of such order not getting executed arises, just 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:**

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

#### **1.7 System Risk:**

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

**1.7.1** During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there

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may be delays in order execution and its confirmations.

**1.7.2** Due to high Volatility in the future and options market the orders shall not be executed at the market price.

**1.7.3** 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 or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

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

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

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

### **2.2. Risk of Option holders**

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

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

### **2.3 Risks of Option Writers**

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

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

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

## **3. GENERAL**

### **3.1 Commission and other charges**

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

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

You should 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/BSE.

**3.5** The term 'member' shall mean and include a trading member, a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI. I hereby acknowledge that I have received and understood this risk disclosure statement and Annexure-1 containing my rights and obligations .

## **INVESTORS' 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 Byelaws and Regulations of NSE/BSE and the scheme of the Investors' Protection Fund in force from time to time.

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

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

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

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

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

1.3.3 Furnish all such details in full as are required by the member as required in "Know Your Client" form, which may also include details of PAN or Passport or Driving Licence or Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by SEBI/NSE at any time, as is available with the investor.

1.3.4 Execute a broker-client agreement in the form prescribed by SEBI and/or the Relevant Authority of NSE 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/BSE website ([www.nseindia.com](http://www.nseindia.com) / [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 five trading days. Where trade details on the website, do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of NSE/BSE.

1.3.8 Ensure that payment/delivery of securities against settlement is given to the concerned member within one working day prior to the date of pay-in announced by NSE/BSE or 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 Investors' Grievance Cell of NSE/BSE.

1.3.10 Every member is required to send a complete 'Statement of Accounts', for both funds and securities settlement to each of its constituents, at such periodicity as may be prescribed by time to time. You should report errors, if any, in the Statement immediately, but not later than 30 calendar days of receipt thereof, to the member. In case the error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE/BSE, without delaying.

1.3.11 In case of a complaint against a member/registered sub-broker, you should address the complaint to the Office as may be specified by NSE/BSE from time to time.

1.4 In case where a member surrenders his membership, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE/NSCCL/Clearing House within the stipulated period and with the supporting documents.

1.5 In case where a member is expelled from trading membership or declared a defaulter, NSE/BSE gives a public notice inviting claims, if any, from investors. In case of a claim, relating to "transactions executed on the trading system" of NSE/BSE, ensure that you lodge a claim with NSE/BSE within the stipulated period and with the supporting documents.

1.6 Claims against a defaulter/expelled member found to be valid as prescribed in the relevant Rules/Bye-laws and the scheme under the Investors' Protection Fund (IPF) may be payable first out of the amount vested in the Committee for Settlement of Claims against Defaulters, on pro-rata basis if the amount is inadequate. The balance amount of claims, if any, to a maximum amount of Rs.10 lakhs per investor claim, per defaulter/expelled member may be payable subject to such claims being found payable under the scheme of the IPF.

**Notes:** 1. The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a trading member of NSE/BSE for the purpose of acquiring and / or selling of securities through the mechanism provided by NSE/BSE.

2. The term 'member' shall mean and include a member or a broker or a stock broker, who has been admitted as such by NSE/BSE and who holds a registration certificate as a stock broker from SEBI.

3. NSE/BSE may be substituted with names of the relevant exchanges, wherever applicable.