

## **Policies and Procedures**

The underlying document outlines various policies and procedures Mili Consultants & Investment Pvt.Ltd. (MCIPL) has framed with respect to its dealing with clients for capital market transactions to ensure transparency and facilitate understanding on various aspects related to service delivery. Kindly note that the below stated policies and procedures are subject to change from time to time, depending upon our internal risk management framework, market and external environment and clients can refer the MCIPL's website for the updated documents.

### **1. Refusal of orders for penny stocks etc:**

Generally, MCIPL alerts clients to desist from trading in any penny stocks in view of the associated risk element while dealing in such stocks. Further, the client is also required to adhere to Exchange / Members' guidelines and due diligence while trading in such stocks. Also SEBI / Exchange from time to time issues directives necessitating additional due diligence for dealing in such stock(s).

We at our sole discretion, may impose certain restrictions and / or conditions (on case to case basis), subject to rules, regulations, bye laws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances and risk policies at a related point in time. These restrictions / conditions include but are not limited to the following:

- a) restrict wholly or partly for trading, in certain security(ies) or category of security(ies)/ contracts viz:
  - i. illiquid stocks / stocks having low liquidity,
  - ii. illiquid options / far month options / long dated options,
  - iii. writing of options,
  - iv. securities listed in Z, T, TS, S, B group or 6 lakh series available for institutional category on BSE and / or securities listed in BE, IL, BT or EQ series on NSE,
  - v. any other securities / contracts which as per the perception of MCIPL are volatile or subject to market manipulation or has concentration risk at client level or at the company level.
- b) accept or partially accept an order for buy and / or sell. Such acceptance may require execution in a controlled environment (for e.g. from centralised desk instead of from designated dealing area or online platform),
- c) cancel orders in above securities / contracts received from clients before execution or after partial execution without assigning any reasons thereof,
- d) require the client to provide appropriate declarations before / after accepting such orders.

MCIPL shall-

- a) not be responsible for non-execution / delay in execution of such orders and consequential opportunity loss or financial loss to the client,
- b) have the discretion to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and / or the client had previously purchased or sold such securities / contracts through MCIPL itself,
- c) have the right to revise the list of such securities / contracts on a periodic basis.

Client can obtain the information about the updated list of securities from the Relationship Manager / Dealing Branch office / Sub Broker.

### **2. Setting up Client's Exposure limit:**

#### **Settlement / Margin obligation:**

The Exchange bye-laws requires a member broker to adhere to various trading and settlement obligations and conditions which include but are not limited to:

- a) upfront margin maintenance requirements with the Exchange / Clearing Corporation prior to taking an exposure in the market,

- b) cash and collaterals / securities deposit, in prescribed ratio, for margin maintenance,
- c) certain margins to be paid for in cash only, for instance mark-to-market,
- d) settlement obligations in respect of funds and / or securities to be honoured as per the settlement calendar prescribed by the exchange from time to time.

In order to enable MCIPL to meet the obligation on behalf of the client, MCIPL seeks client's cooperation to maintain adequate margin, make timely settlement of obligations, top-up margin by scheduled date, etc.

Exposure setting:

Margin based limit / exposures will be set for clients for transacting in Cash and F&O segment. While computing the available margin, clear credit lying in client's settlement and margin ledger, securities held in client's beneficiary account with Member and securities held in client's demat account for which limited power of attorney is available with MCIPL etc. may be considered.

Margin can be paid in form of cash and approved collateral. Collateral will be valued on daily basis at latest / previous day's closing price and appropriate hair-cut shall be applicable. List of approved collaterals / securities along with applicable hair cut, is subject to revision from time to time based on Exchange approved list, market volatility, quality of collateral and internal guidelines; and same can be obtained from the Relationship Manager / Dealing Branch Office / Subbroker.

MCIPL shall have the discretion to allow differential limits / exposures varying from client to client, depending up on client's trade history / experience, if available, his financial capacity and / or credit worthiness and referral of each client.

### 3. **Brokerage Policy**

MCIPL may charge a brokerage for all trades facilitated on BSE, NSE or any other recognised exchange of which MCIPL is a Member. Brokerage rate may vary from client to client, as per the terms agreed with the client at the time of registration or by way of any subsequent written agreement between the client and MCIPL. The rate of Brokerage shall not exceed the maximum permissible brokerage stipulated by Exchange / SEBI.

The slab rates of brokerage fixed by MCIPL may be function of the quality and cost of services provided to the client and the volume and revenue expected from a relationship. It shall be reviewed by MCIPL from time to time and may be changed in such manner as MCIPL may deem fit provided that the same would not contradict the regulatory provisions.

The brokerage shall however be exclusive of the following:

- Service Tax and Education Cess,
- SEBI Exchange / Clearing member charges,
- Stamp duty,
- Statutory charges payable to Exchange / SEBI / Govt. Authorities etc.,
- DP Annual maintenance charges,
- DP transaction charges / Pledge / Unpledge / Demat / Remat charges,
- DP inter settlement charges,
- Account Opening charges,
- Bank charges towards the cheques received unpaid,
- Charges towards customized / specialized service.

### 4. **Imposition of Penalty / delayed payment charges:**

#### **Delayed payment charges / margin shortage charges:**

As per the Exposure Limit section outlined earlier in the document, client shall maintain adequate margin / settle the obligation / top-up the margin by scheduled date. Incase client fails to settle the dues in time, MCIPL shall reserve the right to-

- a) levy delayed payment charges, not exceeding 2% per month, or such other rate as may

be determined by the MCIPL from time to time, on account of delays / failure by the client in meeting the pay-in / margin obligations / mark-to-market obligation on the scheduled date till the date of payment in Cash and / or F&O segment,

- b) levy a charge for disproportionate cash versus collaterals ratio prescribed by the Exchanges for deposit of margins in F&O,
- c) not consider any credit balance in other family or group account of the client while computing delayed payment charges on the debit balance in the running account of a client.

The above levy is only a penal measure in case of a client default in meeting settlement and margin obligation and should not be construed as funding arrangement by the client; and the client can not demand continuation of service on a permanent basis citing levy of delayed payment charges.

**Penalties levied by Exchanges:**

Exchanges / Clearing Corporation / SEBI levy penalties on the member broker for irregularities observed by them during course of its dealing with Members. MCIPL shall recover such imposed penalties / levies, by the Exchange / regulators, from the client which arises on account of dealing by such client. The illustrative list of reasons to levy penalty include but are not limited to-

- a) auction resulting from short deliveries,
- b) non adherence to client-wise exposure limits in Cash and F&O segment,
- c) client-wise short fall in F&O margin,
- d) any other reasons which may be specified by the Exchange / Clearing Corporation / SEBI from time to time.

**Interest Free Deposits:**

MCIPL provides exposure against the upfront margin received in the form of cash / collateral from the client and the client also has the prerogative to demand withdrawal of cash or collaterals at his discretion, subject to surplus margin in place. MCIPL shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collateral margins with MCIPL except for the corporate benefit received on such collateral securities, if any.

5. **Liquidation Policy:**

(The right to sell Client's securities or close Clients' positions, without giving notice to the Client on account of non-payment of dues by Client)

As per the Exposure Limit section outlined earlier in the document, client shall maintain adequate margin / settle the obligation / top-up the required margin by scheduled date. The client agrees and confirms that in case of any delay (beyond permissible time limit as per SEBI or Exchange's rules, regulations, bye laws, circulars and other applicable laws/provisions) in making the payment, MCIPL shall have the right to sell client's security(ies) / positions / contracts, both unpaid securities as well as collaterals deposited towards margins or securities previously purchased by the client or close out client's open positions / contracts or off set credit balance in other segment / exchange against client's obligation / debit balances / liabilities, without giving any notice to the client, as per prevalent risk policy from time to time, in circumstances including but not limited to the following-

- a) where intra-day position, if any, not liquidated before prescribed time or placing of fresh intra-day order after a cut-off time fixed by MCIPL,
- b) where client is not having adequate margins, as per conditions specified in Exposure Limit section or on account of removal of a security from approved list of collateral and client's failure to top-up further margins,
- c) where client delays / fails to meet the pay-in obligation / mark-to-market (MTM) dues

/ clearance of debit balances / dues by scheduled date or realisation proceeds of the cheque (s) deposited by the client to meet obligation is not received,

- d) cheque bouncing / not honoring sale obligation by delivering shares in time or due to any reason, delays or fails in clearing out standing dues to MCIPL,
- e) volume in excess of permissible internal limit cap in illiquid / penny stocks / long dated options / far month options or excessive speculative trading,
- f) scrip is moved in BAN list (due to breach of exchange limit defined for market wide position limit / trading member wide position limit / client wide limit in F&O segment, etc.)
- g) irregularities in dealing and other surveillance / anti money laundering (AML) related observations,
- h) client categorized as ineligible due to non-traceable, disputes, possible default by client and any other circumstances leading to raising non-confidence in client,
- i) disputed delivery / trading position,
- j) any direction from SEBI / Exchange or such other regulatory / statutory authorities,
- k) under such other circumstances as MCIPL might think just and proper on case to case basis.

Such liquidation may be in full or partial to the extent of short fall / debit and securities / position / contracts selection would be at the discretion of MCIPL. While selling the securities / closing the clients positions / contracts, MCIPL may take in to account the positions closed by the client or collections received from the client till a cut-off time. Securities previously purchased would be used for liquidation where the sale proceeds of unpaid securities are inadequate to cover the pay-in obligations and / or where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.

MCIPL shall have the right to sell client's securities or close out client's open positions / contracts but it shall not be under any obligation to undertake this exercise compulsorily and therefore shall not be under any obligation to compensate / or provide reasons for any delay or omission on its part to sell client's securities or close open positions / contracts of the client and client shall be solely responsible for the loss incurred on such liquidation.

**6. Shortages in Obligation and penalty for defaulting client:**

Clients are required to make Securities / Funds pay in on or before T+2 day. In case of default in security pay-in by client and the shortage is at member level i.e. internal shortage, a penalty as applicable from time to time will be imposed on the defaulting client and the benefit will be passed on to the respective beneficiary client. Rate of penalty will be decided by member as applicable from time and published on our website.

In case of default of securities pay-in by the client and the shortage is vis-avis the Exchange, auction value of the respective exchanges and all levies, as applicable, shall be recovered from the defaulting client.

**7. Conditions under which a Client may not be allowed to take further positions or the Member may close the existing positions of a Client:**

Under various circumstances outlined in the Liquidation Policy section of the document, the Client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Further, it would be the duty of the client to monitor its position with MCIPL from time to time. In case of any delay or failure by the client in meeting any obligation, margin requirements etc. MCIPL, at its discretion, may close the open position / contracts without any further intimation to the client in this regard as per the Risk policy.

Additionally, MCIPL shall at its discretion decide, from time to time, the volume of business which the Client may transact during any trading day on respective Exchanges(s). Notwithstanding such an agreement / arrangement, MCIPL shall have absolute discretion to reduce the volume of business of the Client or restrict dealings by the Client without any prior notice to the Client inter alia, having regard to:

- 1. The volatility in the market;
- 2. In view of impending price sensitive announcements;
- 3. Any restriction in relation to volume of trading / outstanding business or margins stipulated by any Exchange;
- 4. Political instability in the Country;
- 5. Presence of any other price sensitive factors;
- 6. Failure by the Client to maintain the applicable collateral / margin and or
- 7. Delays by the Client in meeting its obligation / dues relating to the business / dealings under this Agreement or pursuant to any other agreement between the Client and the Member.

**8. Temporarily suspending or closing a Client's account at the Client's request:**

The client is required to submit written request for closure of account or for temporary suspension of account clearly stating period of suspension, to the nearest branch office, sub-broker office or central processing cell at the registered office of the Member. Upon receipt of request and after satisfying itself with respect to all information / documentation.

and settlement of client dues, the Member shall act upon the request within reasonable time but not later than 30 days from the date of request.

9. **Suspension of trading account and Deregistering the client**

**Suspension of trading account**

MCIPL may carry a periodic review of the client accounts and may, at its discretion, suspend the client's accounts from trading in the following circumstances:

- a) where the client's status is dormant or inactive during last 12 months from the date of last transaction,
- b) where the client has not cleared the naked or uncovered debits in prescribed time,
- c) default by the client in honouring its settlement / margin obligation including cheque bouncing / auction of shares,
- d) irregular trading pattern from surveillance / AML perspective,
- e) where MCIPL is unable to transfer the shares to the default demat account provided by the client, till the client submits the revised demat account details along with proof,
- f) where the client is categorized as ineligible due to being non-traceable, pending disputes / complaints, possible default by client and any other circumstances leading to raising non - confidence in client including return of undelivered couriers citing reason of "no such person / addressee left / refusal to accept mails / POD's signed by the third persons etc." or Digital Contract Notes (DCN) failed (Bounced email) on more than 3 instances until client submits and registers new email id or non-delivery of the statement of account sent on periodic basis or non-updation of financial and other details viz., email id, mobile no, landline details or it is found to be belonging to a third person,
- g) where the account is under investigation by any regulatory body including receipt of notice from statutory, government or local authorities including income tax, service tax, a judicial or a quasi judicial authority, or client is arrested by way of court order, police action or any other legal action,
- h) where a client is reported to or known to have deceased,
- i) where client fails to provide executed or renewed mandatory documentary requirements as prescribed by Exchanges / Regulators from time to time and / or refusal to do the periodic submissions as required by Exchanges / Regulators,
- j) under such other circumstances as the MCIPL might think just and proper on case to case basis.

**Deregistering a client**

MCIPL may at its discretion de - register the client's account in circumstances including but not limited to the following:

- a) action taken by Exchanges / Regulators or being part of list of debarred entities published by SEBI,
- b) where the client indulge in any irregular activities not limited to synchronized trading, price manipulation, etc. resulting in violation of rules, regulations of the exchange and any other such activity
- c) irregular trading pattern from surveillance / AML perspective,
- d) where the client is categorized as ineligible due to being non-traceable, disputes, possible default by client and any other circumstances leading to raising non-confidence in client including return of undelivered couriers citing reason of "no such person / addressee left / refusal to accept mails / POD's signed by the third persons etc." or Digital Contract Notes (DCN) failed (Bounced email) on more than 3 instances until client submits and registers new email id or non-delivery of the statement of account sent on periodic basis or non-updation of financial and other details viz., email id,



mobile no, landline details or it is found to be belonging to a third person,

- e) right to deregister after serving a 30 days written notice without assigning any reason thereof.

In such case, MCIPL shall have the right to close out the existing positions / contracts, sell the collaterals to recover its dues, if any, before de-registering the client's account.

**10. Policy for Dormant / In-active account:**

Where no transactions have taken place in client's account during the last 12 months from the date of last transaction, then it will be considered as dormant / in-active account. If the account status is tagged as a dormant / in-active account, then the surplus funds or securities lying with MCIPL shall be refunded / returned to clients at his last known bank account / DP account for securities or at such other address as mentioned in the Account Opening Form.

**Reactivation:**


A client's account will be re-activated, subject to fulfillment of such conditions as MCIPL may consider fit and proper-

- a) on submission of proof of identity and proof of address, where the account is suspended due to dormant / inactive status or on client's request, or on submission of such other information / documents as deemed fit by MCIPL,
- b) in other circumstances, at the discretion of MCIPL, provided there is no outstanding dues from the client or he has no open grievances pending against MCIPL or client has complied with all requirements of MCIPL of submission of information / documents or on fulfillment of such other conditions that MCIPL may impose at its discretion.

**Client Acceptance of Policies and Procedures stated herein above:**

I / We have fully understood the policies and procedures stated hereinabove and do hereby sign the same and agree as to the validity, enforceability and applicability of any provisions / clauses mentioned in this document. These policies and procedures may be amended / changed by the Member, provided the change is informed to me / us through any means by providing a notice as may be duly stipulated by the regulator from time to time. The policies and procedures as stated hereinabove shall be deemed to form an integral part of the Agreement and be deemed to have been incorporated in the Agreement by reference and the client hereby agrees to accept and be bound by the provisions of the same. Accordingly, the policies and procedures envisaged herein above shall be governed by the detailed terms and conditions of the Agreement.

Client's Name : \_\_\_\_\_

Client's Signature :  <sup>27</sup> \_\_\_\_\_

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

# ***Voluntary Documents***

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## **VOLUNTARY / NON MANDATORY CLAUSES**

These clauses enumerated below form a part and parcel of the bipartite agreement between stock broker and client on which the stamp duty has already been paid.

In addition to the mandatory terms and conditions of the Member–Client Agreement the Client and the Member have agreed to the terms and conditions contained in voluntary clauses to be read in conjunction with the model Member-Client Agreement to ensure smooth functioning of the operations in the course of trading / investing in securities by the Client through the Member to enhance the transparency of Member-Client relation.

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

Now, therefore, in consideration of the mutual understanding as set forth in this agreement, in addition to the mandatory clauses, in order to ensure smooth functioning of the operations, the parties thereto have agreed to the following terms and conditions:

### **1. CLIENT'S REPRESENTATIONS AND WARRANTIES:**

The Client represents and warrants to the Member that:

- (i) All the information provided and statements made in the Client's Account Application 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 Member has agreed to provide the Member's Service to the Client on that basis, inter alia, of the statements made in the Client's Account Application. The Client is aware and acknowledges that trading over the internet kiosk, telephones and through computers involves many uncertain factors and complex hardware, software, system, communication lines, peripherals, etc., which are susceptible to interruptions and dislocations; and the Member's Service may at any time be unavailable without further notice. The Member and the Exchanges do not make any representation or warranty that the Member's Service will be available to the Client at all times without any interruption. The Client further agrees that he shall not have any Claim against the Exchanges or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's system and service or the Exchange service or system for any reason whatsoever.
- (ii) The Client has the required legal capacity and is authorised to, enter into this Agreement and is capable of performing his obligations and undertakings hereunder.
- (iii) All actions required to be taken to ensure compliance of all the transactions which the Client may enter into are pursuant to this Agreement with all applicable laws and shall be completed by the Client prior to such transactions being entered into.
- (iv) The Client shall abide by the Exchange Provisions or the terms of the Member's Website and the various communications from member from time to time, which may be posted on website in force from time to time.
- (v) Any instruction given by an authorised representative of the Client to the Member (or to the Member's representative) shall be binding on the Client.
- (vi) The Client represents, warrants and undertakes on an ongoing basis that there are no prior or pending criminal proceedings or proceedings relating to financial crime against him or any negative reputation issues involving the Client and in the event of any such issue or proceedings arising / being commenced against the Client, he shall promptly keep the Member informed of the same.
- (vii) The Client represents, warrants and undertakes not to act as a sub-broker or Authorised Person or Remisier without prior written permission of the Member / Stock Exchange and without obtaining certificate of registration from Securities and Exchange Board of India (SEBI).
- (viii) The Client shall notify the Member within seven days, of any change in the details set

out in the Application from submitted to the Member at the time of opening the account or furnished to the Member from time to time.

- (ix) The Client agrees to keep the Member updated of his financial status by providing net worth certificate / copy of IT returns / Balance Sheet and other financial statements / documents at regular intervals as may be required by Member from time to time and in any event at the end of each financial year.
- (x) The Client shall, at all times, be responsible for his investment decision and / or orders placed, or applications preferred by the Client, either electronically or otherwise. Client shall neither hold, nor seek to hold, the Member and or any of their officers, directors, employees, agents, subsidiaries or affiliates, liable for any loss including but not limited to trading losses incurred by the Client. The Client understands that placing an order with the Member either electronically or otherwise, does not guarantee execution of the said order or acceptance of an application. The Member shall not be deemed to have received any electronically transmitted order or application until the Member has confirmed the receipt of such an order or application.
- (xi) It is agreed that the client shall execute a Power of Attorney (POA) in favour of the Member / DP to facilitate Depository Participant operations, internet trading services and other operations pertaining to investment product offerings by the Member provided however the Member at it's own sole discretion may dispense with or waive the requirement of execution of such POA. The format of the said POA may be amended from time to time to accommodate regulatory and non regulatory operational issues and the Client agrees to execute such amended / revised POA, whenever duly intimated and called upon to do so by the Member.
- (xii) The Client agrees and confirms that the use and storage of any information including without limitation, ASC, the passwords or digital signatures, portfolio information, transaction activity, account balances and any other information or orders available on the Client's personal computer is at the Client's own risk and is the Client's sole responsibility. Client is responsible for providing and maintaining the communications equipment (including personal computers and modems), telephone, cellular phones or alternative services required for accessing and using the website or related services, and for all communications service fees and charges incurred by the Client in accessing the website or related services.
- (xiii) Incase of offline clients, the client agrees, confirms and acknowledges to receive the welcome letter (kit) from the member by way of delivery at his address available in the records as provided by the client. Client further agrees, confirms and acknowledges to receive the welcome letter (kit) (excluding user name and password) from the member electronically on the Client's email - id registered with the Member in case of online clients.
- (xiv) The Client acknowledges that trading / settlement cycles, delivery / payment schedules, or any changes therein from time to time are hosted on the website of the Member and such disclosure by the Member shall be deemed to be acceptable to the Client.
- (xv) The Client agrees and acknowledges that he will be responsible for the settlement / margin obligation arising out of the transaction executed by him despite interruption, non-availability or malfunctioning of the Member's system and service or the Exchanges' service or system for any reason whatsoever.

## **2. CLIENT'S AUTHORISATION**

- a. The Client may authorise his representative either severally or jointly to trade and transact in securities for and on behalf of the Client and that the Member may act on the instructions of the said authorised representative. Client hereby agrees to execute requisite letter of authorization / Power of Attorney in respect of such representatives as the case may be in this regard and submit the same with Member. Board resolution in case of corporate Clients and a declaration signed by all partners in case of Partnership firms shall be furnished by such Client and the Client undertakes to review the same every year and inform the Member in case of any change.
- b. If the authorised representative is intended to be replaced, the Client shall inform the Member / Sub broker of the change in writing immediately or within 24 hours of

effecting such change along with the authorisation document failing which the Client undertakes to be responsible for the trade obligations arising out of the actions of the old representative and the Member will not be under any obligation to honour the orders for trades placed by the new representative. Any implications and consequences out of the failure on the part of the Client to provide the necessary intimation and authorisation will be the sole responsibility of the Client and the member will not be liable for any part of the same.

- c. If any transaction(s) under this agreement or under any other agreement or otherwise with the Member, has/have been executed on behalf of Client by any other person, not mentioned above and the same has / have been accepted by him from time to time on the basis of the contract note(s) or bills or any other correspondence dispatched / communicated to the Client by the Member and / or by part or full settlement of the said transaction(s) by Client, then such transaction(s) shall be deemed to be executed by the person authorised by the Client and the Client agrees to ratify and accept all such or other actions of such persons and undertakes to meet all obligations arising from these transaction(s).
- d. The Client undertakes to be bound by all the transactions undertaken by the Member pursuant to the instructions of the authorized representative(s).
- e. The client acknowledges that the member shall not be liable to provide him any legal, tax, investment or accounting advice or advice regarding the suitability or profitability of a security or investment. The client assumes full responsibility with respect to his investment decisions and transactions. The member, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the client.
- f. The Client agrees to keep the member updated on his financial status and provide such details as regards financial position, assets, liabilities etc., including net worth details etc., once in a year and also as and when required by the Member. The Client hereby permits the Member to provide such information any time to any statutory/regulatory authorities as may be required.
- g. The Client hereby agrees to ensure that before selling any shares, he has the same in hand. Any loss arising out of auction/close out on account of shares not cleared in the Member's account will be borne by the client. The Client also agrees to bear any loss arising out of auctions due to incomplete instructions, eligible instructions, unclear instructions and instructions not received on time.
- h. The Client hereby authorizes the Member to transfer shares, lying in the Member's pool / beneficiary account for pay-in purposes for shares purchased by the client in previous settlements. In case the client does not want the Member to transfer these shares towards inter settlement from the Member's pool / beneficiary account for pay in purposes, he shall inform the Member in writing 24 hours before pay in date. In case the Member does not receive the same in writing or for a wrong settlement, the Member shall not be responsible for loss, if any.
- i. The Member will not be liable to the client for loss arising due to fire, theft or loss due to human error in case of dematerialised shares, or any other unforeseen circumstances if the shares are in the custody of the Member beyond the stipulated time. In case of dematerialized shares, the Member will be entitled to recover the custody charges from the client, if the deliveries are not transferred out of the Member's depository account within the stipulated time. The stock broker will not be responsible in case pay-in is not done in the proper settlement.
- j. The Client hereby unconditionally, absolutely and irrevocably undertakes to pay immediately any amount due and payable under this agreement on being called to do so without any demur merely on a demand from the Member stating that the amount claimed is due pursuant to this agreement and any such demand made on the client shall be conclusive as regards the amount due and payable by the client under this agreement.

- k. The client hereby agrees and acknowledges that the member on best effort basis, based on POA authorization, will transfer the shares for pay-in obligation. However, member shall not be responsible for any auction/close-out due to non-delivery for any reason.
- 3. The Member hereby notifies the Client and Client hereby acknowledges that he is aware that Member may apart from carrying or executing the trades/orders on behalf of the Client, execute and carry out the trades on its own account (proprietary trading) in the ordinary course of business or otherwise.

4. **MARGIN**

- a. The Client agrees and undertakes to immediately deposit with the Member such cash, securities or other acceptable security, which the Member may require as margin. The Client agrees that the Member shall be entitled to require the Client to deposit with the Member a higher margin than prescribed by the Exchange. The Member shall also be entitled to require the Client to keep permanently with the Member a margin of a value specified by the Member so long as the Client desires to avail of the Member's ITORS Service. The Client is liable to pay an initial margin up-front on or before creating a position in any Cash and Derivatives contract. The Member or the said Exchanges shall decide upon such margin from time to time. Furthermore, the Client is liable to pay daily margins depending on whether the price of the Cash and Derivatives contract moves for or against the position undertaken.
- b. All Margins shall be paid by the Client in the form of Funds (which shall hereinafter mean and include account payee cheques, bankers cheques, demand drafts, pay orders and telegraphic, telex or wire transfers, but not cash or currency) / securities as laid down in this Agreement.

In case where the payment by the Client towards the margin is made through an account payee cheque issued in favour of the Member, the Member, only upon the realization of the funds of the said cheque, would execute any trade(s) of the Client. However, the Member may at its sole discretion execute trades or provide limits to the Client against any uncleared account payee cheque and the Client in such circumstances shall not hold the Member liable and indemnify the Member in case the said account payee cheque is returned unpaid and the trades are executed or limits are provided against such account payee cheque prior to the same returning unpaid.

c. **Margin in the form of Securities:**

- (i) The Client may place margin with the Member in the form of securities if approved by the Member and the Stock Exchange. The Member may prescribe the list of approved securities eligible for acceptance as margin, as notified from time to time. This list may be revised, modified or replaced by the Member from time to time without giving any notice to the Client and the Client shall accordingly replace the securities (placed as margins) with the Member within the time specified by the Member. Such securities may be placed in a separate Demat account by the Member or in a separate DP account that may be opened by the Client for the purpose with the necessary Power of Attorney executed in favour of the DP and / or the Member.
- (ii) The Client agrees and authorizes the Member to determine the market value of securities placed as Margin after applying a hair cut that the Member deems appropriate. The Client's positions are valued at the latest market price available (marked to market) on a continuous basis by the Member. 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 short fall in the value of the Margins immediately, whether or not the Member intimates such shortfall to the Client.
- (iii) All corporate benefits, including but not restricted to Bonus/Right Shares accruing on the securities so deposited as margin shall be credited into the aforesaid depository account or to the Client's trading account as the case may be, unless otherwise agreed to by the Member, and shall constitute margin for the Client's trades/transactions
- (iv) The Member may, at its sole discretion, prescribe that the payment of Margin



money for further trades shall be in the form of funds instead of securities. The Client accepts to comply with the Member's requirement of payment of Margin in the form of funds immediately failing which the Member 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 without further reference to the Client and any resultant or associated losses that may occur due to such square off / sale shall be borne by the Client, and the Member is hereby fully indemnified and held harmless by the Client in his behalf. The client authorizes the Member to sell these securities to recover any outstanding dues / MTM debits / meet the margin requirements in Cash and F&O segments of both the Exchanges.

- (v) The Member may at its sole discretion and subject to the applicable Regulations from time to time allow the Client to place Margin in the form of Fixed Deposits and Bank Guarantees.
- (vi) The client agrees that all decisions with regard to the amount of margin/deposit, the exposure available to the client and trading limits shall be decided by the Member at its sole discretion and no reasons thereof are required to be given to the client. The client warrants that all or any securities deposited by the client with the Member in respect of margin deposit requirements or other wise are owned by the client and that the title thereof is clear and free from encumbrances. These margin / deposits shall be repaid after the client closes the account with the Member after meeting contingent liabilities arising out of all or any transactions under this agreement.

d. **Margin with Stock Exchange**

1. The Client agrees that the Member may in its turn place any of the securities placed by him as Margin by way of pledge or hypothecation or margin on his behalf with Exchange/professional clearing member to meet its own obligations, as the Member may deem fit. The Client authorizes the Member to do all such acts, deeds and things as may be necessary and expedient for the above purpose.
2. The Client is responsible for all orders, including any orders that may be executed without the required Margin in the Client's account. If the Client's order is executed despite a shortfall in the Margin, the Client shall, whether or not the Member intimates such short fall in Margin to the Client, instantaneously make up the shortfall either through delivery of shares in the event of a sale or credit the required funds in the Clients account via wire or personal cheque, cashier's cheque or money order or account transfer or any other mode.
3. Any reference in these terms to sale or transfer of securities by the Member shall be deemed to include sale of the securities, which form part of the Margin, maintained by the Client with the Member. In exercise of the Member's right to sell securities as provided in this Agreement, the choice of specific securities to be sold shall be that of the Member.
4. Notwithstanding what is stated in the foregoing sub-clauses, the Client agrees that the Member may be compelled to in circumstances of extreme market volatility or any other compelling circumstances, square off all or any outstanding positions, prevent any new orders from being placed and / or executed by the Client or take such other action as the Member thinks fit and proper, even without calling for the payment by the Client of the aforesaid instantaneous margin from the Client.
5. The Client agrees and authorizes the Member to deposit / pledge his shares / collaterals with the exchange / clearing corporation / clearing house / clearing member to meet his margin obligations.

5. **TRANSACTIONS IN CASH / DERIVATIVES SEGMENT**

In case of the Client undertaking the transactions simultaneously in Cash and Derivative Segments, the Client specifically agrees:

- a. That the shares received from the stock exchange in the payout of Cash segment may at the discretion of the Member be transferred to the Client's Derivatives Margin Account, to be utilized as margin for the Derivatives transactions that the

Client may undertake.

- b. That the Client authorizes the Member to transfer such shares purchased by the Client in the Cash Segment to the Clearing Member / Exchange towards margin requirements for Client's derivative transactions as the Member may deem fit or expedient.
- c. The Client understands that the release of the shares held as aforesaid (as margin) and the transfer of the same to the Clients designated DP account would take upto four days and in this view, Client agrees to give instruction to square off the relevant derivatives transaction (or to roll over the same) atleast four days before the settlement date for the derivatives segment.
- d. The Client further agrees not to hold the Member responsible for the delay that may occur due to the reasons beyond the reasonable control of the Member.

## 6. CLOSEOUT

- a. In case of Purchase:

In case of purchase on behalf of Client, the Client authorizes the Member to close out the transactions by selling the securities incase Client fails to make full payment to the Member for the execution of the contract within two days of trade execution or before pay-in-day (as fixed by Stock Exchange for the concerned settlement period), whichever is earlier, unless the Client already has an equivalent credit with the Member. The Member may at its discretion close out the position of the client at any future date subsequent to the settlement date. The loss incurred in this regard, if any, will be met from the margin money of the Client. The Client agrees to make good the shortfall, if any, immediately on being intimated of the shortfall by the Member.

- b. **In case of Sale:**

In case of sale on behalf of Client, the Client authorizes the Member to close out the contract by effecting purchases if the Client fails to deliver the securities sold with valid transfer documents within two days of the trade execution or before delivery day (as fixed by Stock Exchange for concerned settlement period), whichever is earlier. Cost of the transaction (i.e. close out), will be deductible from the margin money of the Client. The Client agrees to make good the short fall, if any, immediately on being intimated of the shortfall by the Member.

- c. The client authorizes the Member to use his discretion to buy, sell or close out any part or all of the contracts held in the clients account with the Member for the protection of the Member, in case of any default by the client. The client agrees to reimburse any or all such incidental expenses incurred by the Member.
- d. Provisions in case of Default (for Derivatives segment only):

In the event of failure of the Client to fulfill his obligations to the Member, the Derivatives Segment or the Clearing House (s), the Client's position may be closed out and the money, if any, of the Client available with the Member, the Derivatives Segment or the Clearing House(s) may be adjusted against the Client's liabilities / obligations.

## 7. LIEN AND SET OFF

- 1. The Client agrees that all monies, securities or other property that may be held by the Member on the Client's account shall be held by the Member at the sole risk and cost of the Client and such monies, securities or other property shall be held subject to a general lien for the discharge of the Client's obligation to the Member under this agreement irrespective of whether such obligation of the client is disputed by the client. The Member shall be under no obligation to release such monies, securities or other property until the Client has discharged its entire obligation in full to the Member under this agreement to the due satisfaction of the Member.
- 2. All Securities and / or other property in any Account in which the Client has an interest or which at any time are in the possession or under the control of the Member, shall be

subject to a lien for the discharge of any and all indebtedness or any other obligation that the Client may have to the Member.

3. All of the Client Securities and / or other property shall be held by the Member as security for the payment of any such obligation or indebtedness to the Member in any Account in which the Client has an interest.
4. In enforcing its lien, the Member at its sole discretion may determine which Securities and / or other property are to be sold or which contracts are to be closed.
5. Notwithstanding anything contained in these presents, the Client hereby agrees that any amounts which are overdue from the Client towards trading either in the Cash or Derivative segments or on account of any other reason to the Member may be charged, the late payment charges at the rate of 2% permonth of the sums in default or such other rate as may be determined by the Member. The Client hereby irrevocably authorizes the Member to directly debit the same to the account of the Client at the end of each month provided, however, that in the case of dues owing by the Client or a member of Client's family or sister concerns, to the Member's group or associate companies, such debit is not made by such group or associate company in the Client's Trading Account with it. The Client also authorizes the Member to debit charges for depository services to the trading account. The Client also agrees that any amount overdue from him (including the interest on delayed payment) shall be adjusted by the Member from dues owed to the Client. The Client also agrees that any amount owed by the Client to the Member (including the interest on delayed payment) can be adjusted by the Member from the dues owed to the Client by any group or associate company of the Member. Conversely, any money owed by the Member to the Client may be adjusted by the Member towards the due sowed by the Client to any group or associate company of the Member.

#### **8. BROKERAGE AND OTHER CHARGES**

The Client agrees to pay to the Member, brokerage, commission, fees, services tax, others taxes, call charges, charges for short messaging alerts on the Client's cellular phones and transaction expenses as they exist from time to time and as they apply to the Client's account and transaction and to the services that the Member renders to the Client.

The Client agrees that the Member may from time to time subject to the Exchange provisions and any restriction imposed in this behalf by SEBI and after giving due notice as specified in clause 42, determine and modify the amount of brokerage, commission fees, applicable service, transaction expenses, other taxes and other amount payable per transaction by the Client. Notwithstanding what is stated herein above, Client agrees that the Member may charge different slab of brokerage and other charges including but not limited to the order size of each contract.

The Client agrees and acknowledges that the Client shall be liable in respect of all stamp duty and documentary taxes required to be paid in respect of this Agreement, all contract notes and all instrument required to be executed (whether by the Member and / or the Client or any other person) pursuant to this Agreement, including all penalties thereon. Further, without prejudice to the aforesaid, the Client agrees and undertakes to pay additional stamp duty on any of the aforesaid instruments by virtue of the said instrument being received in any state at any time subsequent to its execution. Notwithstanding the aforesaid, the Member shall be entitled to pay the stamp duties and other documentary taxes and penalties (if any) on behalf of the Client and thereupon, the Client shall promptly upon demand by the Member in this behalf reimburse the Member in respect of any such payment by the Member.

#### **9. CANCELLATION / MODIFICATION OF TRADE**

- a. Member shall be entitled to cancel order / contract(s) with the Client in the following circumstances:
  - (i) When the Exchange(s) cancel a trade suo moto or due to insufficient bids or offers or suspension of trading due to price limits or circuit breakers.
  - (ii) When the electronic trading systems either at the Exchange or in the Member's office are vulnerable to temporary disruptions or failures.
  - (iii) When due to unforeseen circumstances, the Member is not able to execute the



desired transactions (either the Client's own transaction or transactions for enforcing margins as provided in this Agreement) on a timely basis.

- b. The cancellation or modifications of any order pursuant to the Client's request in that behalf is not guaranteed. The order will be cancelled or modified only if the Client's request for cancellation or modification is received and the order is successfully cancelled or modified before it is executed. Market orders are subject to immediate execution, wherever possible.
- c. The Client shall not be entitled to presume an order as having been executed / cancelled or modified until a confirmation from the Member is received by the Client. However, due to technical or other factors, the confirmation may not be immediately transmitted to or received by the Client and such delay shall not entitle the Client to presume that the order has not been executed, cancelled or modified unless and until the Member has so confirmed in writing.
- d. The Client further agrees that he will not be compensated by the Member for 'lost opportunity' namely; notional profits / losses on buy / sell order which could not be executed.
- e. The Exchange may annul a trade suo-moto without giving any reason there of. In the event of such annulment, the Member shall be entitled to cancel the contract(s) with the Client.
- f. Notwithstanding anything contained above, any orders not executed at the end of trading hours may be cancelled by the Member.
- g. In the event, the Exchange suspends or cancels a pay out of funds / securities, the Member shall also be entitled to suspend, cancel or annul the relevant payout of funds / securities to the Client.
- h. The Member shall not be responsible for any losses that the Client may incur on account of such cancellation / modification.
- i. In all cases, the Member reserves the right to determine the validity of the Client's objection to the transaction.
- j. Client agrees that the Member will not be responsible for the non-receipt of the trade confirmation, contract note-cum-bill due to any change in the Client's address / e-mail address / telephone / cellular phone / fax number which is not intimated to the Member in writing and / or where the communication remains undelivered due to non-availability of the Client at the given address / telephone / cellular phone / fax number or client not opening e-mail account.
- k. Member shall have the right to refuse to accept any buy or sell instructions from the Client without assigning any reasons thereof provided that the Member shall inform the Client of any such decision.

#### **10. TRADE CONFIRMATION**

- a. The Member shall send the trade confirmations to the Client over telephone or by way of short message services on the cellular phone of the Client. Trade confirmation shall also be available on the System of the Member and the same is followed up by the contract note-cum-bill or other wise via mail, e-mail, fax, courier, Registered AD, oral communication or otherwise at the postal address, fax nos. e-mail addresses intimated by the Client to the Member. Notwithstanding what is stated herein above or elsewhere in the Agreement, the Client agrees to receive the trade confirmation at the end of the day of trading.
- b. The Client understands that it is his responsibility to review the trade confirmations, the contract notes, the 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 in writing to any of the contents with in twenty four (24) hours of such intimation / confirmation.
- c. In all cases, the Member reserves the right to determine the validity of the Client's objection to the transaction.
- d. The Client agrees that the Member will not be responsible for the non-receipt of the trade confirmation, contract note-cum-bill due to any change in the Client's address /

email address / telephone / cellular phone / fax number and such other details which is not intimated to the Member in writing and / or where the communication remains undelivered due to non-availability of the Client at the given address / telephone / cellular phone / fax number or client not opening e-mail Account.

- e. The Member shall have the right to refuse to accept any buy or sell instructions from the Client without assigning any reasons thereof provided that the Member shall inform the Client of any such decision.

#### **11. DIGITALLY SIGNED CONTRACT NOTES, CONFIRMATION AND ELECTRONIC COMMUNICATION**

- a. The Client hereby agrees and permits the Member to provide digitally signed contract notes through internet / email. The Client also authorises the Member to send Welcome Kit (excluding user name and password), Statements of Account, Statement of Margin and Securities and other documents on email address. For the sake of clarity all of the above documents are referred to as “Digital Documents”. The Client acknowledges that once Digital Documents are mailed by the Member at his email address registered with it, it shall be deemed to have been received by the Client and hence there will be no further requirement on the part of the Member to send the same physically in the paper based format to the Client unless Digital Documents are rejected by the Client’s email id and is bouncing back to the Member. The Client hereby acknowledges that he has read and understood the following points governing issuance of the Digital Documents by the Member.
  - i. For the purpose of the above, the email id used would be the same as provided by the Client in the Client Registration Form at the time of opening of an account or email id subsequently notified by the Client in writing. Any change in the email id of the Client shall be immediately intimated by the Client to the Member.
  - ii. The Client shall access the contract notes / confirmations of the trades executed on his behalf on the trade date electronically. The Client understands that it is his responsibility to review all confirmations, contract notes, statements, notices and other communications including but not limited to margin and maintenance calls etc. All information contained there in shall be binding on the Client, if the Client does not object, either in writing or via electronic mail within 24 hours after any such documents are available to the Client.
  - iii. The Member shall forward Statements of Account for both funds and securities at such regular interval as it deems fit but not exceeding three months (calendar quarter) within a period of thirty days of the expiry of the said period. All information contained there in shall be binding on the Client, if the Client does not object, either in writing or via electronic mail within 15 days after any such documents are available to the Client.
  - iv. Should the Client experience any difficulty in opening a document electronically delivered by the Member, the Member may, on receipt of intimation from the Client in that behalf, make the required delivery by any other electronic means (e-mail, fax, electronic mail attachment, short message services on the cellular phone or in the form of an available download from the back-office website) or in paper based format. Failure to advise the Member of such difficulty within twenty four (24) hours after delivery shall serve as an affirmation that Client was able to receive and open the said document. The Client hereby agrees to pay all such amounts that the Member may charge to cover the operational costs that the Member incurs in preparing and delivering the said communication, confirmation, contract notes, documents, reports and alerts.
  - v. The Client agrees not to receive the contract notes in paper form from the Member. Provided however that in case when the Member is not able to provide Contract Note to its Clients through (web based) electronic medium due to any unforeseen problems, the Member should ensure that the contract notes are dispatched to the Client in physical form as per the time schedule stipulated in the Bye-Laws, Rules and Regulations of the Exchanges.

- vi. The Client shall take all the necessary steps to ensure confidentiality and secrecy of the login name and password. Unless the Client lodges a complaint with the Member as to his inability to access the system, it would be presumed that contract notes and all other documents have been properly delivered to the Client.
- vii. The Client agrees that the Member fulfils its legal obligation to deliver to the Client any such document if sent via electronic delivery and the member has not received any report indicating bouncing back of such electronic delivery.
- b. Statement of Accounts in Digital format:
  - (i) The Member may send the Statement of Trading Account, Demat statement of accounts / holding statement(s) / bills or other Statement(s), related notices, circulars, amendments and records and documents by whatever name called (hereinafter referred to as "Statement(s)") to the Client in physical and / or electronic form.
  - (ii) The Client hereby agrees and permits the Member under the terms of this agreement to provide to the Client, Statement(s) through Internet (web based). Such Statement(s) shall be duly authenticated by means of a digital signature as specified in the Information Technology Act, 2000 and the Rules made thereunder.
- c. Copy of Client Registration Documents:
  - (i) The Member may send the Client Registration documents viz., Client registration form / KYC, Member Client Agreement / Tripartite Agreement, Risk Disclosure Document and a copy of any other document executed with the client (hereinafter referred to as "Registration documents") to the Client in physical and / or electronic form.
  - (ii) The Client hereby agrees and permits the Member under the terms of this agreement to provide to the Client, the Registration documents through Internet (web based).
- d. Clauses governing issue of digitally signed Contract Notes / Statement(s) / Client Registration documents / other documents (hereinafter collectively referred to as "the Documents") in electronic form:
  - (i) The Member shall send the Document(s) to the Client at his / her / its e-mail account(s) provided by the Client for this purpose.
  - (ii) The Client undertakes to change the initial password of such e-mail account(s) upon first login. The Client shall take all necessary steps to ensure confidentiality and the secrecy of the login and password of such e-mail account(s). The Member shall not be liable to or responsible for any breach of secrecy. Unless the Client lodges a complaint with the Member as to his / her / its inability to access the system, it would be presumed that the documents have been properly delivered.
  - (iii) The Client agrees to access the Document(s) electronically. The Client also agrees that it is his / her / their responsibility to review the same. All the information contained there in shall be binding on the Client, if the Client does not object, either in writing or via electronic mail within 15 days from the date on which the Document(s) is sent to the Client.
  - (iv) The Client undertakes to check the Document(s) and bring the discrepancies to the notice of the Member within 24 hours from the date on which the Document(s) are sent to the Client, unless otherwise specifically provided under the regulations. Non-verification by the Client or not accessing the Document(s) on regular basis shall not be a reason for disputing the same at any time.
  - (v) Should the Client experience any difficulty in opening a document electronically delivered by the Member, the Member may on receipt of intimation from the Client in that behalf, make the required delivery by any other electronic means (e-mail, fax, electronic mail attachment) or in paper based format. Failure to advise the Member of such difficulty within 48 hours from the date of delivery of the Document(s) shall serve as an affirmation that Client was able to receive and open the said document.
  - (vi) In cases when the Member is not able to provide the Document(s) through web based electronic medium due to any unforeseen problems, the Member shall ensure that the Document(s) reaches to the Client in physical form as per the time schedule stipulated in the Bye Laws, Rules and Regulations of the Stock Exchanges / CDSL or any other Regulatory Authority.

- (vii) The Client agrees to take all the necessary steps to ensure confidentiality and secrecy of the login name and passwords of his / her / its email account. Unless the Client lodges a complaint with the Member as to his / her / its inability to access the system or receive the document(s), it would be presumed that the document(s) have been properly delivered to the Client. The Member shall not be responsible for any breach of secrecy.
- (viii) The Client agrees that the Member fulfils its legal obligation to deliver to the Client the documents if sent via electronic delivery at the email account provided by the Client for the purpose and the Member has not received any report indicating bouncing back of such electronic delivery from any of such electronic delivery from any of such e-mail account(s). Such statements shall be deemed to have been delivered on the day when the same is sent electronically by the Member. In other words, email sent to the e-mail account, which is not bounced back, shall be deemed to be duly delivered to the Client and sufficient compliance of issue of Document(s).
- (ix) The Client agrees that the Member shall not be responsible for non-receipt of Document(s) sent via electronic delivery due to change in / incorrect email address provided by the Client for the purpose or for any other reason which inter alia include insufficient space in the inbox of the Client, technical reasons or malfunction of the Client's computer system / server / internet connection etc. It shall be the responsibility of the Client to intimate the Member of any change in the Client's e-mail account(s).
- (x) The Member shall not be liable or responsible for any statement received from frauds or impostors or any consequences thereof.
- (xi) The Member shall not be liable for any problem, which arises at the Client's computer network because of the Client receiving any such statement from the Member.
- (xii) The Member agrees that in case of receipt of bounced back notification from all the e-mail account(s), the Member shall make required delivery by any other electronic means (email, fax, electronic mail attachment or an available download from the back office website) or in paper-based format immediately thereafter. However the Client agrees that the Member shall not take cognizance of out-of-office / out-of-station auto replies and the Client shall be deemed to have received such electronic mails.
- (xiii) The Client here by agrees to intimate the Member of any change in e-mail ID.
- (xiv) The Client understands and agrees that the Member shall be entitled to charge to the Client fees / charges for sending such Documents. Such fees and charges shall be intimated to the Client from time to time by the Member.
- (xv) The Member may also post the Document(s) on the website of the Member and the same can be accessed by the Client on the website with the help of the login and password in case of online clients. The Client shall ensure confidentiality and secrecy of the login id and password. The Member shall not be liable or responsible for any breach of secrecy.

## **12. SHORTAGES**

It is agreed that in case of purchase of securities by the Client, if the Member is unable to deliver the securities on the pay-out day due to non-receipt of the securities from the Stock Exchange(s) or due to non-receipt of the said securities from another Client of the Member who has sold the securities against the said purchase transaction, the securities shall be delivered to the Client as per the policy of the Member as amended from time to time and communicated to the client.

## **13. ONLINE FACILITY**

This clause will be applicable only in case the client opts for online trading facility. The Member is also providing a facility to the Client by offering a facility of internet based online trading instead of offline trading through the Order-Routing System (ITORS) of the Member and Client agrees to avail the facility of online trading through ITORS or such other related services that Member may wish to offer immediately or in the near future.

### **A. Agreement to provide and avail of the Service**

The Member agrees to provide Service to the Client, and the Client agrees to avail of the Service, on and subject to the terms and conditions of this Agreement, the Exchange Provisions and the terms of the ITORS.

All the terms and conditions of Online Trading shall be applicable only if the Client is availing the facility of Internet based online trading offered by the Member. Accordingly, the Member and the Client agree upon the following terms and conditions as enumerated below:-

1. The provisions of this agreement shall always be subject to Government notifications, any rules, regulations and guidelines issued by SEBI and Stock Exchange rules, regulation sand Bye-laws that may be in force from time to time.
2. In the event of death or insolvency of the client or his otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, Member may close out the transaction of the client and the client or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.
3. The agreement entered into between the Member and the Client shall stand terminated by mutual consent of the parties by giving at least one month written notice. Such cancellation or termination shall not have any effect on transaction executed before the date of such notice of termination and the parties shall enjoy the same rights and shall have same obligations in respect of such transactions.
4. The instructions issued by an authorized representative of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the client.
5. 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.
6. The Client agrees that the Member shall not be liable or responsible for non-execution of the orders of the Client due to any link / system failure at the Client/ Member / Exchange end.
7. The Stock Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, Member shall be entitled to cancel relative contract(s) with Client.
8. The Member shall also send the Order / Trade confirmation slip through E-mail to the Client at his request, within 2 working days from the time of execution of order / trade on the Exchange system, as the case may be. The Client agrees that the information sent by Member by E-mail is deemed to be a valid delivery of such information by the Member.
9. The Client is aware that the Member has provided on the website a facility for reconfirmation of orders, which are larger than that specified by the Member's risk management, by the Member and is also aware that the Member has the discretion to reject the execution of such orders based on his risk perception.
10. The Member 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.
11. 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 Mumbai and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in Mumbai for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.
12. The Client will be entitled to a Username and Password, which will enable him to access the System for availing the Service.



**13. The Client shall immediately notify the Member if:**

1. He discovers or becomes aware of any unauthorized access or use of passwords or digital signatures, as the case may be;
2. He notices discrepancies that might be attributable to unauthorized access;
3. He does not receive a message from the Member's web-site indicating that an order or an application was received and executed; or receives an inaccurate confirmation of an execution;
4. He receives confirmation of an order and / or execution which the Client has not placed; or
5. He receives any inaccurate information in the account balances, investment products positions, or transaction history;
6. He forgets his password or any other access security codes.
7. He discovers a security flaw in the system.

**14. TAPE RECORDING OF CONVERSATION**

The Client is aware that the Member may tape-record the conversations between the Client or its representative and the Member, either personally or over the telephone, cellular phone and the Client hereby specifically permits the Member to do so. The Member may rely up on such recordings as and when required to resolve disputes in connection with the trading transactions.

**15. INVESTMENT ADVICE / RECOMMENDATION**

- a. The Client acknowledges that the Member shall not be liable to provide him with any legal, tax or accounting advice or advice / recommendation regarding the suitability or profitability of a security or investment.
- b. The Client also acknowledges that the Member's employees are not authorized to give any such advice / recommendation and that the Client will not solicit or rely upon any such advice / recommendation from the Member or any of its employees.
- c. The Client understands without any ambiguity that the Member does not have any product which guarantees assured return and the Client is solely responsible for any market risk in respect of transaction conducted through the Member.
- d. The Client agrees that in the event of the Member or any employee or official of the Member 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 Member shall not be liable or responsible for the same.
- e. The Client assumes full responsibility with respect to his investment decisions and transactions.
- f. The Member, its officers, director's partners, employee's agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

**16. INDEMNIFICATION**

The Member does not warrant that the services will be uninterrupted or error free. The Member's Service is provided without warranties of any kind, either express or implied, including without limitation, those of uninterrupted availability or fitness for particular purpose.

The Client hereby indemnifies and agrees to keep indemnified and holds the Member harmless from and against all claims, demands, actions, proceedings, losses, damages, liabilities, charges, and / or expenses that are occasioned or may be occasioned to the Member directly or indirectly, relating to bad delivery of shares / securities and / or third party delivery, whether authorised or unauthorised and fake / forged / stolen shares / securities / transfer documents that are introduced or that may be introduced by or through the Client during the course of registration or during its dealings / operations on the Exchange(s) and / or proof of address, identity and other supporting / documents provided by the Client at the time of Client Registration and / or subsequently.

The client agrees that the Member will not be liable for any incidental, consequential, special or indirect damages including but not limited to lost profits, trading losses, or damages that result from inconvenience, delay or loss of use of service even if the Member has been advised of the possibility of such damages.

The client agrees to indemnify and hold the Member harmless from and against any and all claims, losses liability, costs, expenses including (but not limited to lawyer's fees) arising from the Client's violation of this Agreement, breach of any of the Client's obligations or any third party's right arising out of the services rendered by the Member on behalf of the Client pursuant to this Agreement.

Clients acknowledges that he is fully aware of the risks involved in online trading activities including the risk involved due to unauthorised access or any technical difficulties. The Client also agrees to hold the Member harmless from any and all claims, and agrees that the Member shall not be liable for any loss, actual or perceived, caused directly by government restriction, exchange or market regulation, suspension of trading, war, strike, earthquakes, floods, accident, power failure, equipment failure, communication line failure (including but not limited to telephones, cellular phones, etc), system failure, security failure on the internet, hacking, unauthorized access, theft, or any problem, technological or otherwise, or other conditions beyond the control of the Member that might prevent the client from entering an order of the Member from executing an order. Client further agrees that he will not be compensated by the Member for "lost opportunity" via notional profit on buy / sell orders which could not be executed. Further more, in a technical environment should an error occur with respect to the tracking of an account holding or order entry, the true, actual and correct transaction or position will be restored. It is the Client's responsibility to ensure accounts correctness and accuracy and to contact the Member, immediately with respect to discrepancies.

The Client agrees to fully indemnify the Member for any losses arising from execution of incorrect / ambiguous / fraudulent instruction provided by the Client and / or his authorised representative or in the name of the Client.

The Client hereby further agrees to indemnify and keep indemnified and hold the Member harmless from any claims, demands, actions, proceedings, losses, damages, liabilities, charges, and / or expenses arising from transactions in securities held jointly by the Client with any other person or persons, if any.

#### **17. DECLARATION OF CLIENT**

- a. The Client confirms having read and understood the terms and conditions of this Agreement and those relating to various services and products and accepts and agrees to be bound by the terms and conditions including those relating to exculpating limiting the Member's and Exchanges' liabilities.
- b. The Client further confirms and declares that investments in securities carries risk and notwithstanding any recommendation made by the Member, the Client will take buy / sell decisions at his sole discretion after evaluating such risk and shall not hold the Member liable for any loss arising from such Purchases / Sales
- c. The Client confirms and declares that he will not indulge in any irregular activities not limited to synchronized trading, price ramp-up etc. resulting in violation of rules, regulations of the exchange and any such activity indulged into by the Client, the member shall be entitled to terminate the relationship and the agreement.

#### **18. TERMS AND CONDITIONS FOR INVESTMENT PRODUCTS**

- a. These terms and conditions are for online services provided by MCIPL and shall include but not limited to transactions for the purchase or sale of securities or an order for the purchase or sale of or an application for any offer or public issue of shares, scrips, stocks, bonds, debentures, units of any Mutual Fund or any other security or financial instrument, derivative, Small Saving Schemes, Bonds, Fixed Deposits, Public Provident Fund, Insurance policies (both life and non-life), Government Bonds, Exchange Traded Funds or such other products or services that the Member may in its



absolute discretion introduce or offer from time to time (here in after referred to as "Investment Products")

- b. This facility is offered to the Clients of the Member. Notwithstanding the above, the Member reserves the right to refuse this facility to any Client or group of Clients at its sole discretion and without assigning any reason.
- c. The Member shall decide upon the list of Investment Products, which shall be eligible for this facility. This list would be subject to change at the sole discretion of the Member from time to time. The Member may also at its sole discretion decide to withdraw a particular Investment Product from the list without notice to the Clients and without assigning any reasons whatsoever.
- d. The Member through its web-site – [www.milicapital.com](http://www.milicapital.com) in or any other means intends to offer various services ("the Services") to the Client. The Client may avail any or all such services that are introduced on [www.milicapital.com](http://www.milicapital.com) in or any other application as may be offered (referred as "the Website").
- e. The Client has satisfied itself of the capacity of Member to offer the Services relating to investment by Client in Investment Products and the Client shall continue to satisfy itself of such capacity of Member before availing any services.
- f. The Member may from time to time impose and vary limits on the orders which the Client can place through the 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 Member may need to vary or reduce the limits or impose new limits urgently on the basis of the Member's risk perception and other factors considered relevant by the Member, and the Member may be unable to inform the Client of such variation, reduction or imposition in advance. The Client agrees that the Member shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the System on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the Trading Member 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 Member.
- g. The transactions shall be executed in accordance with the applicable laws, bye laws, rules and regulations governing the specific Investment Product. Member may, from time to time, impose and vary limits on the orders which the Client may place including exposure limits, turnover limits, limits as to numbers, etc. The Client agrees that the Member shall not be responsible for any variation or reduction that may be deemed necessary by Member based on risk perception and other relevant factors reason for which may not be disclosed to Client.
- h. Terms and conditions governing the purchase, sale or any other transaction in each of these Investment Products shall be displayed on the Website as and when they are introduced. Member shall be entitled to modify / alter the said Terms and Conditions after communicating the same to the client as per clause 42 and such a change shall be displayed on [www.milicapital.com](http://www.milicapital.com) The use of services shall be deemed to be an acceptance by the Client of Terms and Conditions including any modifications / alteration there to.

## 19. TRANSACTION PROCESSING

- (i) The Client agrees that all transactions requested, initiated through the Website or otherwise will be forwarded to the concerned party in whose Investment Product, the Client is dealing with, in accordance with the terms and conditions as displayed on the Website and terms and conditions of the respective Investment Product as provided by the party issuing such Investment Product.
- (ii) Member will update the Client with the status of transactions requests received by Member through the electronic medium. Member may also send such information / confirmation by electronic mail or through any other mode as specified in the terms and conditions mentioned on the Website, at the address mentioned in this Agreement, or

any other address as may be specified expressly by the Client from time to time, to Member

- (iii) The Client agrees that if, due to any reason whatsoever his transaction request is not accepted / processed, then in such an event the said transaction shall stand rejected and Member shall not be held responsible in any manner whatsoever. The Client agrees further that incase the party issuing the Investment Product or their authorized representatives do not accept / process the said transaction, then in such case the order shall remain declined and shall not be re-processed in any event.
- (iv) Member may, at their sole discretion, reject any transaction / application / order / bid placed on the Website or any other mode due to any reason including non-availability of funds.
- (v) The Client agrees further that Member shall have the right to reject any transaction placed by the Client, for any reason and at any time without notice to the Client. Provided that a transaction placed by the Client may be rejected by Member, in the event of impossibility, or pursuant to any of the terms mentioned in this Agreement, the circulars, rules, regulations, notifications, bye-laws or legislation of any regulatory authority, or pursuant to any terms / arrangement between the Client and Member or the Client and the Depository Participant, whether such arrangement is entered in to prior to or during the subsistence of this Agreement.
- (vi) The Client agrees, that, if the transaction is not accepted on the Website or any other mode, for any reason, Member shall have the right to treat the transaction as having lapsed. The Client agrees that Member shall not be liable or responsible for non-acceptance of the transaction of the Client due to any link / system failure at the end of the Client, Stock Broker, Exchange, or any other party.
- (vii) The Client agrees, that in the event that there is a shortfall in the account opened pursuant to this Agreement with the bank or the depository participant, Member may, at their discretion, reject the Client's transaction, or reduce the transaction size than that initiated by the Client, or carry out the transaction after the money is credited to the Client's account.
- (viii) Member shall have the right to collect any monies or part thereof, that may become payable by the Client at any time during the subsistence of the registration of the Client with Member.
- (ix) Member, may at its sole discretion permit the Client to use the Website for the routing of transaction irrespective of the amount in balance in the account of the Client.
- (x) The Client agrees to abide with and be bound by all the rules and terms and conditions that Member may issue from time to time through its Website for the online clients and communicated through an appropriate mode to the offline clients, and all the rules, regulations and bye-laws of the Exchange, Securities and Exchange Board of India, any other regulatory body, or any other concerned personnas are inforce.
- (xi) The Client hereby agrees to indemnify and keep indemnified and hold the Member harmless from any claim or losses claims, demands, actions, proceedings, losses, damages, liabilities, charges, and / or expenses and / or loss of profit incurred in the Investment Products, including but not related to arising from negligence of-the entity or its agent whose Investment Products are being availed by the Client, systems / software / website failure and / or in ability in electronic connectivity resulting rejection of application of the Client for any reason whatsoever.

## **20. OTHER INVESTMENT PRODUCTS**

- a. The Client agrees that he shall adhere to the terms and conditions attached to this Agreement for various Investment Products, facilities and services that he may choose to avail.
- b. The Member agrees that it shall keep all Investment products belonging to the Client in separate accounts & shall transact in the same based only on the directions of the Client or his power of attorney holder or as authorized by this Agreement or as required by rules, regulation or law of any authority regulating, the Investment Products for the time being in force.

- c. The Member shall credit the proceeds of the sale / redemption etc. of any of the Investment Products only after the Member has received the same unless specifically agreed otherwise. The proceeds of all sales will be credited to the Clients account directly on the designated date.
- d. All Investment Products now or hereafter held, carried or maintained by the Member, in their possession or control, for any purpose, in or for the benefit of any of Clients accounts, now or hereafter opened, including any account in which Client may have an interest, shall be subject to alien in favour of the Member, for the discharge of all indebtedness and Client's other obligations to the Member, and are held by the Member, as security for the payment of any liability or indebtedness of the Client to the Member, in any of said accounts. Client authorizes the Member, that it shall have the right to transfer the Investment Products and other property so held from or to any other of Client's accounts with the Member, whenever, in the judgment of the Member, it is considered that such transfer is necessary for the protection of the Member's interest. In enforcing the Member's, lien, the Member shall have the right and discretion to determine which Investment Products and properties are to be sold and which contracts or positions are to be closed. In the event of a breach or default by Client under this Agreement, the Member shall have all rights and remedies available to a secured creditor under all applicable law in addition to the rights and remedies provided herein.
- e. The Client understands that the terms and conditions governing a specific investment product or service will be binding on the Client only if such product or service is made available to the Client and Client trades in that investment product or avails of that particular service.

#### **21. LATE AND CORRECTED REPORTS**

- (i) Further more, the Member, from time to time, receives late reports from exchanges reporting the status of transactions. Accordingly, the Client shall be subject to late reports related to orders that were previously unreported to him or reported to him as being expired, canceled, or executed.
- (ii) In addition, any reporting or posting errors, including errors in execution prices, will be corrected to reflect what actually occurred in the market place.

#### **22. TRADING HOURS**

The Client shall trade during trading hours. However, clients may make order entry off market hours, which shall be pushed into the System at the start of the next trading session subject to risk and other validation, when ever the Member offers such facility. The Member reserves the sole right to offer and withdraw this facility at its discretion and the same shall be duly communicated to the client in accordance with clause 35.

#### **23. RESTRICTIONS ON TRADING**

The Client understands and agrees that the Member may at any time, at its sole discretion with notice in accordance with clause 35, prohibit or restrict his ability to trade Securities, or to substitute Securities.

#### **24. THE MEMBER AS AGENT**

The Client understands and agrees that the Member is acting as an agent of the Client, unless the Member notifies the Client, electronically or in writing, before the settlement date for the transaction that the Member is acting as a dealer for its own account or as agent for some other person.

#### **25. RECEIVING SECURITIES**

Without abrogating any of the Member's rights under any other portion of this Agreement and subject to any indebtedness of the Client to the Member, the Client is entitled, upon appropriate demand and upon paying any applicable fees, to receive physical or electronic delivery of fully paid Securities in his Account, Provided however the same is subject to the right of the Member to cover up for any fluctuation in the value of the said Securities.

## **26. CONFIDENTIALITY:**

The Member hereby undertakes to maintain, the details of the Client as mentioned in the Client registration form or any other information pertaining to the Client, in confidence and that he shall not disclose the same to any person / entity except as required under the law. Provided however, that the Member shall be allowed to share the details of the Client as mentioned in the Client registration form or any other information pertaining to the Client with parties / entities other than required under law with the express permission of the Client.

The Client hereby agrees and consents for the disclosure by the Member to any person or entity including but not limited to any independent third parties or any entities of the Member Group, whether within or outside India, of any information and data relating to Client or relating to Client's trading account with Member for the purposes of or in connection with, any present or proposed initiatives, including but not limited to any marketing or cross sell initiatives, business proposals, activities, facilities or services availed of or to be availed, by Client in future.

## **27. MARKET DATA**

- (i) The Client understands that each participating stock exchange or association or any supplier of market data asserts a proprietary interest in all of the market data it furnishes to the parties that disseminates the data. The Client understands that neither any participating stock exchange or association nor any supplier of market data guarantees the timeliness, sequence, accuracy or completeness of market data or any other market information, or messages disseminated by any party. Neither the Member nor any disseminating party shall be liable in any way, and the Client agrees to indemnify and hold harmless the Member and such disseminating party, for:
  - (a) any inaccuracy, error, or delay in, or omission of (i) any such data, information, or message or (ii) the transmission or delivery of any such data, information, or message; or
  - (b) any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay, or omission, (ii) non performance, or (iii) interruption of any such data, Information, or message, due either to any negligent act or omission by the Member or any disseminating party or to any force majeure including those events mentioned in this Agreement or any other cause beyond the reasonable control of the Member or any disseminating party.
- (ii) The Client shall use quotes only for the Client's individual use and shall not furnish such data to any other person or entity.

## **28. USE OF INTELLECTUAL PROPERTY, COPY RIGHTS AND TRADEMARKS**

The client is authorized to use materials which are made available by the Member's services or of the other third parties at [www.millicapital.com](http://www.millicapital.com) or such other web sites as may be instructed by Member from time to time for client's own needs only in accordance with the terms and conditions specified for such usage, and the Client is not authorized to resell access to any such materials or to make copies of any such materials of sale or use by others. Client will not delete, copyright or other intellectual property rights notices from printouts electronically accessed materials.

## **29. PREVENTION OF MONEY LAUNDERING**

The Prevention of Money Laundering Act (PMLA), 2002 has been made applicable to banks and intermediaries including the Member and as part of the regulatory requirements, the Member is expected to inform the concerned regulatory authorities about the transactions which are suspicious and provide them all the details as may be required. Accordingly, the Member may be required to report the details of the transactions undertaken by the clients to the concerned authorities if they are suspicious according to the Member's understanding.

### **30. TERMINATION OF AGREEMENT**

The Agreement shall stand terminated by either party by giving at least one month's notice in writing. Closing and / or terminating an Account will not affect rights and obligations of either party incurred prior to the date of such termination or account closure.

### **31. AMENDMENT AND SUSPENSION OF AGREEMENT & ASSIGNMENT**

If the rights and obligations of the parties hereto are altered by virtue of change in rules and regulations of SEBI or Bye laws, rules and regulations of the relevant stock exchange, or change in policy by member, 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 represents the entire agreement between the Client and the Member, concerning the subject matter hereof. However incase of online clients, certain policies and/ or procedures including terms of service may be further outlined on the Member's website, if any, and by the Client's use of the website and services, the Client agrees to be bound by any and all such postings. Further, incase of offline clients, certain policies and / or procedures including terms of service may be further outlined by the Member by intimating such policies and / or procedures to the client.

The Client may not assign any right and obligations hereunder without first obtaining the prior written consent by an authorized officer of the Member. The Member may assign right and obligation here under without obtaining any prior consent or intimating the same to the Client.

During such period the account of the Client is under suspension or during the period of notice of termination, the Member shall be entitled to deny any exposure to the Client.

### **32. FORCE MAJEURE**

The Member shall not be responsible for any losses, costs or damages resulting directly or indirectly from:-

- (i) any action, omission, suspension or trading, decision or ruling of any exchange or regulatory, governmental or other body or of any other person which is beyond the Member's control (including floor broker, exchange, dealing or clearing house); or
- (ii) any government restriction, Exchange or market rulings, suspension of trading computer, communication, telephone or system failure, war, earthquakes, flood, accident, powerfailure, equipment or software malfunction, strikes or any other conditions beyond theTrading Member's control.
- (iii) any war, strike, lock-out, natural disaster, act of terrorism, delay in post service or any other delay or inaccuracy in the transmission of orders or other information or any breakdown, failure or malfunction which is beyond the control of the Member of any telecommunication or computer system.
- (iv) Any other conditions beyond the control of the member.
- (v) The above, Force Majeure events do not exempt the Client to fulfill the obligations in his account with the Member.

### **33. SEVERABILITY**

If any provision of this Agreement is held to be invalid, void or unenforceable by reason of any law, rule, administrative order or judicial decision, that determination shall not affect the validity of the remaining provisions of this Agreement. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition was not contained herein. The Parties shall however attempt to replace the deleted provision with the legal valid provisions that reflects the same purpose as the deleted provision to the greatest extent possible.

### **34. WAIVER**

- (i) No waiver of any single breach or default under this Agreement shall be deemed a waiver of any other breach or default.



- (ii) No forbearance, relaxation, failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver hereof nor shall any single or partial exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

### **35 NOTICES**

- (i) All notices or communications issued under this Agreement shall be, served in anyone or more or all of the following ways and such notice or communication under (i) to (xi) below shall be served at the ordinary business address and / or ordinary place of residence and or last known address of the party in anyone or more of the follow ways:
  - (i) by post,
  - (ii) by registered post,
  - (iii) under certificate of posting,
  - (iv) by express delivery post,
  - (v) by telegram,
  - (vi) by affixing it on the door of the last known business or residential address,
  - (vii) by oral communication to the party or on the last known telephone number or on the recording machine of such number
  - (viii) by sending a message through trading system,
  - (ix) A notice pasted on the notice board of the Exchange in case change in address is not notified,
  - (x) by electronic mail or fax,
  - (xi) by hand delivery.
- (ii) Any communication sent by the Member to the Client shall deemed to have been properly delivered or served, even if communication is returned to the Member as unclaimed / refused / undelivered, if the same is sent to the ordinary business address and/or ordinary place of residence and / or last known address of party, in any one or more of the ways as mentioned in clause above. Notwithstanding anything stated above, communication related to orders, margin call, maintenance calls and other similar matters by the Member to the Client may be communicated orally.
- (iii) Any notice or communication served on the client under this agreement shall be valid and binding on the client and shall be deemed to be duly served, if conveyed by any of the modes mentioned in point(i) above.
- (iv) Any communication by the Client to the Member in connection with this Agreement shall be served at the branch of the Member or sent to the e-mail ID of customer service desk as mentioned below: Email: [customer.greviances@milicapital.com](mailto:customer.greviances@milicapital.com)

### **36 LAW AND JURISDICTION**

- (i) The provisions of this Agreement and all transactions in the Client's Account shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and it's clearing house, if any, where the transactions are executed by the Member or its agents, including the Member's subsidiaries and affiliates. Also, where applicable, the transactions shall be subject to the provisions of the Securities and Exchange Board of India Act, 1992 and various relevant guidelines issued by SEBI in this regard and as amended from time to time.
- (ii) The Member and 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.
- (iii) The stamp duty and Registration charges, If any, payable on these presents and the duplicated shall be borne and paid by the Client.

### **37 DISPUTE RESOLUTION**

Any claim, dispute or difference arising between the Parties hereto in respect of this Agreement or any contract, dealings or transactions pursuant hereto or any rights, obligations, terms and 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 applicable

Exchange provisions. The Member and the Client are aware of the provisions of the Bye-Laws, Rules and Regulations of the Exchange (including those of the various segments of the Exchange) relating to Arbitration.

This Agreement can be altered, amended and modified by the parties mutually in writing without derogating from the contents of this Agreement. Provided, however, if the rights and obligation of the parties here to are altered by virtue of change in Rules and regulations of SEBI or Bye-Laws, Rules and Regulations of the relevant Stock Exchange, such changes shall be deemed to have been incorporated herein in modifications of the rights and obligation of the parties mentioned in this Agreement.

### **38 PAYMENT**

All payment for securities bought shall be made out by way of Cheque / demand draft / fund transfer in favour of "Mili Consultants & Invest Pvt.Ltd." At the time of settlement of dues of the Client, the Member shall draw an account payee cheque / fund transfer in favour of the Client which may be payable to a specified bank account of the Client. The Client agrees to make such cheques / demand draft / fund transfer from the bank account, the details of which are provided by the client to the member in the Client Registration Form. For the purpose of this agreement the term "Dues of Client" shall include the amount of monies payable by the Client including, but not limited to, the purchase price of the Securities, Brokerage, Margin money, Service Tax, Turnover Tax, Auction Debit and Charges, Service Charge, Securities Transaction Tax and other amounts agreed to and payable by the Client to the Member.

### **39 WAIVER, MODIFICATION OR AMENDMENT OF ANY NON MANDATORY CLAUSE**

- (i) No provision or clause forming a part of the non mandatory clauses can be, nor be deemed to be, waived, altered, modified or amended unless agreed to or consented by the client.
- (ii) Any such waiver, alteration, modification or amendment of any of the non mandatory clauses shall be preceded by a notice of fifteen days.

### **40. SEVERANCE**

In case any one or more of the provisions contained in this agreement becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions contained herein shall not in anyway be affected or impaired thereto.

- 41 In the event of death or insolvency of the client or his otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, Member may close out the transaction of the client and the client or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.
- 42 The instructions issued by an authorized representative of the client shall be binding on the client in accordance with the letter authorizing the said representative to deal on behalf of the client.

### **43 SMS ALERT FACILITY**

The Client agrees and permits the Member to provide intimations and communications relating and including to but not limited to outstanding debit recovery intimations, trade confirmations, margin and maintenance calls through the SMS alert facility on the mobile number which belongs to the client as provided in the Account Opening Form.

- 44 In the absence of adequate credit of securities in case of short selling and there are inadequate securities in the demat account of the client, all open positions may at the sole discretion of Member be squared off and gains and losses on account of such exercise shall be to the account of the Client.

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

Broker : Mili Consultants & Investment Pvt. Ltd.

Signature : <sup>28</sup>⊗ \_\_\_\_\_

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



## Annexure A

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

- a. "Access Security Codes (ASC) mean Client's user names, Customer user identification, Client's log-in ids, passwords, phone ids, Tpin, Digital Signatures (by whatever name called) and such other ids, codes, passwords, etc including the revised or changed, that may be created by and for the Client to facilitate access and availing of the services provided by the Member.
- b. "Accoun Application" means the application submitted by the Client to open a Brokerage Account or Know Your Client (KYC) form.
- c. "Buying Power" means the sum of funds to the credit of the Client's account plus receivable during the day through pay out of funds from Settled Sales (hereinafter defined), minus funds needed to pay recent purchases and minus funds needed to pay for any open orders, additional margins and any un-cleared receipts / deposits.
- d. "Business Day" means any day on which any of the stock exchanges, where the Member is authorized to trade are operational.
- e. "Client Account" means an account opened by the Member in the name of the Client on its records and shall include the bank account and / or a demat account in which the cash or Securities of the Client are deposited.
- f. "Designated Bank" means any bank(s) designated by the Member and for which payment gateway is provided for facilitating clients to transfer funds for their securities and other related transactions.
- g. "Designated DP" means any DP(s) designated by the Member.
- h. "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 Minimum Requirements Handbook for ITORS prescribed by the Exchange, as amended from time to time.
- i. "Good Delivery" means the delivery successful and timely transfer of freely transferable securities (properly endorsed, registered and fully negotiable stock or depositories receipts in electronic format) from the specified Depository Participant (DP) accounts of the Clients to the designated Pool / Other DP account of the Member for settlement of sale transactions undertaken by the Client.
- j. "ITORS means Internet based Trading through Order Routing System, being a system approved by the Exchange for enabling Clients to route their orders to their Member over the internet.
- k. "Member-Client Agreements" means the Member Client Agreement / Tripartite agreement executed with the Member / sub-broker for trading services for NSE and /or BSE.
- l. "Password" means the alphanumeric code used by the Client to validate the user name and access the Service (as defined hereinafter).
- m. "SEBI" means the Securities & Exchange Board of India.
- n. "Settled Sales" means completed sale stransactions pursuant to delivery.
- o. "Securities and / or Other Property" means, but is not limited to, cash, stock, bonds, mutual funds, money funds, fixed deposits, financial instruments and related contracts, whether for present or future delivery. This definition includes Securities or other property currently and hereinafter held, carried or maintained by the Member or any affiliates, in the Member's possession or control, or in the possession or control of any such affiliate, for any purpose, in and for any of the Client's Account (s) now or hereinafter opened, including any Account in which the Client may have an interest.
- p. "Service" means the Member's brokerage service including the online trading facility (ITORS) provided by means of the Member's System and shall include such other investment

products that Member may offer from time to time.

- q. "Settlement Date" means the day on which a transaction is to be completed on the exchange concerned i.e. the day buyers are to pay for their purchases and sellers are to deliver their Securities.
- r. "Short Sale "means the sale of a security not owned by the Client.
- s. "Specified Scrips" means scrips as may be specified by the Member for the purposes of internet trading through the System as offered under this agreement and the list of such scrips may be revised from time to time by the Member without any prior intimation to the Client.
- t. "System" means the system of web pages and ITORS applications hosted by the Member through which the online Service is offered and also includes any other alternative system of accepting orders from a Client and add on systems for offering other investment products.
- u. "Trading Hours" means such period of Business Day when the exchange concerned offers trading to its Members including the Member.
- v. "Username" means the alphanumeric login Identification used by the Client for accessing his account through the Service.
- w. "Web-site" shall mean and include [www.milicapital.com](http://www.milicapital.com) and such other internet sites that the Member may launch.

In this Agreement, the headings are used for convenience and ease of reference and are not to be construed in the construction or interpretation of any provision of this Agreement.

In this Agreement, unless the context specifies otherwise, reference to the singular includes a reference to the plural and vice versa, and reference to any gender includes a reference to all other genders.

In this Agreement, unless the context specifies otherwise, reference to the Recitals, Clauses, Schedules and Exhibits shall be deemed to be a reference to the recitals, clauses, schedules and exhibits of this Agreement.

In this Agreement, unless the context specifies otherwise, reference to an individual shall include his/her personal representative.

Reference to any enactment are to be construed as referring also to any amendment or re-enactment any previous enactment which such enactment has replaced (with or without amendment) and to any regulation or order made under it.

The Client's Signature/Authorised Signatory:

Signed by: ⓧ<sup>30</sup>

Title: \_\_\_\_\_

Name of the Client: \_\_\_\_\_

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

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

For Mili Consultants & Investment Pvt. Ltd.

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

Title: \_\_\_\_\_

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

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