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**INTERNET TRADING**

Clauses mentioned above pertaining to above transactions shall be applicable to Internet Trading deals unless specifically mentioned otherwise  
 Whereas the Client is desirous of investing/trading in those securities admitted for dealing on the Exchange as defined in the Bye-laws of the Exchange and have been made available for investing trading through Stock broker's ITORS.

Whereas the Stock broker proposes to offer the ITORS Service for purchasing, selling or otherwise dealing in securities admitted for dealing on the Exchange as defined in the Bye-Laws of the Exchange

**1. Definitions :**

In this Agreement (including the Recticals above), unless the context otherwise requires, the following words shall have the following meanings-

- 1.1 "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 stock broker over the internet.
- 1.2 "ITORS Service" or "Service" means the service offered by the Stock broker to its Clients through ITORS where under the Clients can route their orders for purchase, sale and other dealings in securities through the Stock broker's ITORS System.
- 1.3 "Stock broker's ITORS System" or "Stock broker's ITORS Web Site" means the web site hosted by the Stock broker on the Internet through which the Stock broker offers the ITORS Service and includes the hardware and software used for hosting and supporting the website.
- 1.4 "The Account/s" mean Trading Account through which the Client Operates his buying and selling Orders.
- 1.5 "Password" means an alphanumeric code used by the Client to validate his/her username and access the Service.
- 1.6 "Username" means an alphanumeric login identification used by the Client for accessing the Service

**2. The Account**

- 2.1 The Stock broker acknowledges and permits the Client to access the Account through the Internet Service after completing the necessary formalities
- 2.2 Client has received from stock broker, and has read, and fully understands and accepts the provisions of the information
- 2.3 Clients hereby declare that Clients are the ultimate beneficial owner(s) of the Account, and that Clients are not related to or associated with any of stock broker's employees or agents including without limitation as a spouse or as a child under 16 years of such employees or agents and agree that if Client become related to or associated with any of such employees or agents, Clients shall promptly notify stock broker of the existence and nature of such association and acknowledge and agree that stock broker may, upon receipt of such notice, at stock broker's absolute discretion, terminate the Account.

**3. User Name And Password :**

- 3.1 The Client will be entitled to a username and password, which will enable him to access the Stock broker's ITORS System for availing of the Service,
- 3.2 The Client is aware that the Stock broker's ITORS System itself generates the intial passwords and that the Stock broker is aware of the same. The Client agrees and undertakes to immediately change his initial passwords upon receipt thereof. The Client is aware that subsequent passwords are not known or available to the Stock broker.
- 3.3 The Client shall be responsible for keeping the Username and Passwords confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's ITORS System using the Client's Username and/or Passwords whether or not such person was authorized to do so.
- 3.4 The Client shall immediately inform in writing to the Stock broker of any unauthorized use of the Client's Username or Passwords with full details of such unauthorized use including the date of such unauthorized use, the manner in which it was unauthorisedly used, the transactions effected pursuant to such unauthorized use. etc.
- 3.5 The Client acknowledges that he is fully aware of and understands the risks associated with availing of a service for routing orders over the internet including the risk of misuse and unauthorized use of his Username and/or Passwords by a third party and the risk of a person hacking into the Client's account on the Stock broker's ITORS System and unauthorized routing orders on behalf of the Client through the System. The Clients agree that he shall be fully liable and responsible for any and all unauthorized use and misuse of his Password and/or Username and also for any and all acts by any person through the Stock broker's ITORS System on the Client's Username in any manner whatsoever.
- 3.6 The Client shall log off from the ITORS Service at any time the Client is not accessing or using the Service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall be borne solely by the Client.
- 3.7 The Client shall immediately notify the Stock broker in writing with full details if:
  - a) He discovers or suspects unauthorized access through his Username, Passwords or account,
  - b) He notices discrepancies that might be attributable to unauthorized access.
  - c) He forgets his password or.
  - d) He discovers a security flaw in the Stock broker's ITORS System.

⊗ Client's Signature

3.8 In any of the above events specified in Clause 3.7, the Client shall immediately change his Password. However, if the Client is unable to change his password by reason of his having forgotten his Password or his Password having been unauthorisedly changed by some other person or for any other reason, then the Client shall immediately request the Stock broker in writing to discontinue his old Password: and thereupon the Stock broker shall cause the Stock broker's ITORS System to discontinue the use of the Client's old Password and the Stock broker's ITORS System shall generate new Password for the Client which shall be communicated to the Client. At no point of time shall the Stock broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the Password.

#### **4. Transaction And Settlements :**

- 4.1 The Stock broker may from time to time impose and vary limits on the orders, which the client can place through the Stock broker's ITORS System (including exposure limits, turnover limits, limits as to the number, value and/ or kind of securities in respect of which orders can be placed, the companies in respect of whose securities orders can be placed etc.) The Client is aware and agrees that the Stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Stock broker's risk perception and other factors considered relevant by the Stock broker, and the Stock broker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client agrees that the Stock broker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the Stock broker's ITORS System on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the Stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place or trade in securities through the Stock broker.
- 4.2 The Client hereby agrees to execute all orders at around market prices. The Client agrees to ensure that there will be no attempt at price distortion and price rigging made through any means.
- 4.3 The Client authorizes the Stock broker to square up all his outstanding positions, which are not marked for delivery 15 minutes before closing time on the normal market. Any profit / loss arising out of square off shall be at the risk of and borne by the Client.
- 4.4 The Stock broker, at his discretion, may execute trades on behalf of the Client at the request of the Client, in case of system failure at the Client's end. Any profit / loss arising out of such trades shall be at the risk of and borne by the Client.
- 4.5 Client acknowledges and agrees that Client shall be solely responsible for all orders communicated through the Internet Service, and neither stock broker nor any of stock broker's directors, officers or employees shall be liable to me/ us, or to any other person claiming under or through Client, for any claims made with respect to the receipt and execution of any such orders.
- 4.6 If Client resides or gives any orders to stock broker from outside India. Client agrees to ensure and represent that such orders will have been given in compliance with any and all applicable law of the relevant jurisdiction from which Client orders are given, and Client further agrees that Client shall, when in doubt, consult or obtain legal and professional advice in or of the relevant jurisdiction. Client accepts that there may be taxes, duties impositions or charges payable to relevant authorities in respect of Client residing or the giving of any order from outside India and the execution of such order, and Client and agrees to pay such taxes, duties, impositions or charges as are applicable. Client further agrees to indemnify stock broker on demand for any claims, demands, actions, costs and expenses stock broker may suffer or incur in connection with or arising from Client residing or giving of any such order from outside India.
- 4.7 In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and stock broker has to purchase securities to settle the Transaction, Client shall be responsible to stock broker for the costs of such purchase,
- 4.8 Client will notify stock broker when a sale order relates to securities, which Client does not own i.e., involves short selling.
- 4.9 Any orders communicated to stock broker through the Internet Service will be considered to have been sent by Client. Client agrees to notify stock broker immediately if Client does not receive any confirmation (whether by hard copy, electronic or verbal means) that an order communicated by Client through the service has been received or executed; receive a written confirmation of an order or its execution which is not accurate or which Client did not place,
- 4.10 Stock broker shall have an absolute discretion to accept or reject any order or the execution of any order until (as the case may be) there is sufficient cleared funds in the Account; or there are sufficient securities in the Account, for settlement of the relevant Transaction.
- 4.11 Client acknowledges and agrees that stock broker and stock broker's directors, officers, employees and agents shall not be responsible or liable for any loss suffered or which may be suffered by Client arising from any delay or failure to perform any of stock broker's obligations hereunder or in the transmission, receipt, execution or confirmation of orders modification or alteration of the service and/or the data and information contained therein or to any other cause or causes beyond stock broker's control including but not limited to government restriction, exchange or market rulings, suspension of trading, severe weather, earthquakes and strikes, and should Client experience any problem in communicating with stock broker's through the Internet Service, Client shall use all other alternative means available to me/ us to communicate with stock broker.
- 4.12 When the Client places a request to cancel an order, the cancellation of the order is not guaranteed. The order will only be cancelled at the Client's request for cancellation is received through the Stock broker's ITORS system and the order is successfully cancelled before it is executed.
- 4.13 The Client shall not be entitled to presume an order as having been executed or cancelled until the Client receives a confirmation from the Stock broker.
- 4.14 Stock broker shall act as Client's agent in effecting the Transactions unless stock broker indicate (in the contract note for the relevant Transaction or otherwise) that stock broker are acting as principal.

#### **5. Risk Associated with Internet Trading**

- 5.1 Client acknowledges and accepts that the price of securities can and does fluctuate, and that any individual securities may experience downward movements, and may under some circumstances even become valueless. Client therefore appreciate that there is an inherent risks that losses may be incurred rather than profit made, as a result of buying and selling securities.
- 5.2 Client also acknowledges and accepts that there are risks in leaving securities in stock broker's safekeeping. For example, if stock broker is holding Client's securities and stock broker becomes insolvent. Client may experience significant delay in recovering the securities.
- 5.3 Client acknowledges and accepts that the internet is an inherently unreliable medium of communication and provision of information services due to the public nature of the communication and that the accuracy, reliability and soundness of such means of communication and provision of services depends upon, amongst others, the service providers and the telephone, modem, cables, system, facilities and the like used and operated from time to time by such providers and other participants. Client acknowledges and further accepts that as a result of such unreliability, there are risks associated in using such means of communication including the congestion, breakdown, interruption or failure of transmission of the internet service or any communication equipment or facilities, errors, omissions or delays in the transmission and receipt of orders and other data and information and in the execution and confirmation of

 **Client's Signature**

orders and / or the execution of orders at prices which may be different from those indicated on the service or prevailing at the time the orders were given. There are also other risks involved such as in the unauthorised access, tempering, modification or alteration of the service and / or the system, compartments and software used or comprised in the service which may result in the use, manipulation, retrieval or the theft or loss of data and information, including Client personal data.

- 5.4 The systems used by the stock broker for providing Internet Broking services are generally capable of assessing the risk of the Client as soon as the order comes in. However, due to any reason whatsoever, If the order is processed without sufficient risk cover from the Client. Client shall be bound by such trade and shall provide such sums as may be required to meet his liability under the trade,
- 5.5 The Client is aware that the stock broker has provided on the web site a facility for re confirmation of orders, which are larger than that specified by the stock broker's risk management, by the stock broker and is also aware that the stock broker has the discretion to reject the execution of such orders based on his risk perception.
- 5.6 The Client is aware that the stock broker has provided on the web site for reconfirmation of orders, which are large than specified by the stock broker's risk management by the Stock broker and is also aware risk management by the stock broker and is also aware that the stock broker has the discretion to reject the execution of such orders based on his risk perception

#### **6. Option for placing an order through means other than Internet.**

- 6.1 In, case faults/failures as mentioned above or any other kind of faults/ failures in the Internet Trade Order Routing System arise due to technical or any other reasons; the Client shall have option to place the order by telephone, Internet chatting or any other reasonable mode.
- 6.2 Where the Client has opted for the orders to be placed by the above mode, the Client shall be solely responsible for the orders placed by the Stock broker on his behalf

#### **7. Demat Account**

- 7.1 The Client agrees to open, maintain and operate a valid demat account with the depository participant.
- 7.2 The Client agrees that the stock broker may require the Client at, any time during the subsistence of any arrangement relating to the subject matter of the presents, to open one or more demat accounts with the depository participant. The Client agrees that the debit / credit for all the transactions are to be effected in this / these accounts

#### **8. Bank account(s)**

- 8.1 The Client agrees that the stock broker may, at any time during the subsistence of any arrangement relating to the subject matter of the presents, require the Client to open one or more accounts with a designated bank. The client agrees that the debit / credit for all the transactions may be effected in this / these accounts
- 8.2 The Client agrees that the stock broker shall have the right, at any time during the subsistence of this agreement, to give any instructions pursuant to transactions covered under this agreement to the banks with whom it has affiliations or any other arrangement in respect of the account of the Client maintained with such bank The client agrees that he shall have no cause of action in respect of any instructions that may be given to the bank in respect of the accounts maintained with such bank in pursuance of the presents.
- 8.3 The client agrees that the stock broker may without assigning any reason there of, and without issuing any notice of the same to the client., reveal information available with the stock broker in the course of the arrangement with the client, to the bank with whom such client maintain bank accounts pursuant to these presents, and the client shall have no remedy therefrom.
- 8.4 The client agrees that in the event the designated bank terminates the agreement with the client in respect of the bank account, for any reason or informs the stock broker or any misdemeanor or transgression by the client in the operation of the account or in any other circumstance resulting in the closure or in operation of the said bank account with the designated bank, the stock broker may, at its discretion terminate services, and the client shall have no remedy therefrom.
- 8.5 The client confirms that the bank account linked to the trading account is the valid bank account of the Client.

#### **9. General.**

- 9.1 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.
- 9.2 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.
- 9.3 The Client agrees that the Stock broker shall not be liable or responsible for non-execution of the orders of the Client due to any link /system failure at the Client/ stock brokers/ exchange end.
- 9.4 The Client shall not use the quest e-mail facility to send the Stock broker time-sensitive instructions or to give personal credit information or an address change. The Stock broker shall not be liable for any actions taken or any omissions to act as a result of any such e-mail message, the Client sent to the Stock broker.
- 9.5 The Client is aware and acknowledges that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. which are susceptible to interruptions and dislocations; and the Stock broker's ITORS Service may at any time be unavailable without further notice The Stock broker and the Said Exchanges do not make any representation or warranty that the Stock broker's ITORS Service will be available to the Client at all times without any interruption. The Client agrees that he shall not have any claim against the Said Exchanges or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's ITORS System or Service or the Said Exchange's service or systems for any reason whatsoever

Note : All references to the specific quantity//rate/fee mentioned in this agreement are subject to change from time to time, as so agreed to in writing between the parties.