

Terms and Conditions

1. Definitions

A. For SEBI Registered Intermediaries:

- (i) In these 'Terms and Conditions', unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below:-
 - a. "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - b. "Board" means the Securities and Exchange Board of India established under section 3 of the Act;
 - c. "KRA Regulations" means the Securities and Exchange Board of India {KYC(Know Your Client) Registration Agency} Regulations, 2011;
 - d. "CVL system" means the system provided by CVL to Intermediaries for interacting with CVL pursuant to the KRA Regulations.
- (ii) All other words and expressions used but not defined in these 'Terms and Conditions' shall have the same meaning as have been assigned to them under the KRA Regulations.

B. For FMC Registered Intermediaries:

- (i) In these 'Terms and Conditions', unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below:-
 - a. "Act" means the Forward Contracts (Regulation) Act, 1952 / Forward Contracts (Regulation) Rules, 1954 ;
 - b. "FMC" means the Forward Market Commission
 - c. "KRA Regulations" means the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011; and mandated by Forward Markets Commission vide their circular No. FMC/COMPL/TV/KRA-05/11/14 dated February 26th, 2015;
 - d. "CVL system" means the system provided by CVL to Intermediaries for interacting with CVL pursuant to the KRA Regulations.
- (ii) All other words and expressions used but not defined in these 'Terms and Conditions' shall have the same meaning as have been assigned to them under the KRA Regulations.

2. Obligations of the Intermediary who registers with CDSL Ventures Limited [CVL] as an Intermediary in accordance with the KRA Regulations for maintaining KYC of its clients with CVL as KYC Registration Agency (KRA).

- (i) The Intermediary would register with CVL as per procedure laid out by CVL and designate a person as a compliance officer to look into compliances pertaining to the KRA Regulations and also designate an official as an administrator to the CVL system;
- (ii) The Intermediary shall receive physical applications for compliance of Know Your Client (KYC) norms prescribed by the Board/FMC for identifying and verifying the Proof of Address, Proof of Identity and compliance with rules, regulations, guidelines and circulars issued by the Board/FMC or any other authority for Prevention of Money Laundering from time to time;
- (iii) The Intermediary shall undertake the KYC process only for the clients and shall not verify the records in the CVL system for anyone else;
- (iv) The Intermediary shall verify the authenticity of the KYC documents submitted by investors. If Intermediary doubts the genuineness or authenticity of any of the KYC documents submitted by the investor/s, then it shall not entertain the KYC application of such investor/s;
- (v) The Intermediary or any other person as may be allowed by the Board/FMC shall verify self attested copies of each of the KYC documents submitted along with the originals thereof and affix a stamp of “Verified with Original” on each of the KYC documents. In case the applicant does not submit originals for verification, the Intermediary shall obtain certified copies (certified by person as mentioned in the Operating Instructions) of the said documents. The concerned employee of the Intermediary or any other person as may be allowed by the Board/FMC verifying such documents shall sign under his/her name and designation along with the name of the organization and date at the time of affixing such stamp on copies of each of the documents. After verifying the document, the employee of Intermediary or any other person as may be allowed by the Board/FMC shall also mention the name of the document in English on its face when the documents submitted are in a language other than English. The Intermediary shall handle the documents carefully and ensure that documents are not mutilated/destroyed/erased while in its possession. The Intermediary or any other person as may be allowed by the Board/FMC would carry out ‘in-person’ verification (IPV) wherever applicable and the Intermediary shall ensure that the details like the name of the person doing

IPV, his designation, organization with his signature and date are recorded on the KYC form at the time of IPV;

- (vi) The Intermediary shall perform the initial KYC/due diligence of its client, and shall upload the KYC information on the CVL system, scan and upload the KYC documents as per the file format and file size mentioned in the 'Operating Instructions' or that may be informed by way of circulars or communiqués forthwith from the date of account opening. The Intermediary shall comply with the time schedules provided by CVL with regard to entering data of the investors in the CVL system and uploading the scanned images to CVL. In no circumstances such data and such images should reach CVL beyond the time limit prescribed by CVL in that behalf;
- (vii) The Intermediary shall enter the data in the CVL system from the KYC application. Before entering any data and capturing any KYC documents submitted by the applicants in the CVL system, the Intermediary shall exercise utmost care and caution in scrutinising all such applications and documents, verify the authenticity of such documents and shall follow the 'Operation Instructions' given by CVL in that behalf.
- (viii) The Intermediary shall deploy authorised officials or any other person as may be approved by the Board/FMC to carry out the activity of verification of KYC documents;
- (ix) The Intermediary shall follow the procedure prescribed by CVL from time to time for collection and verification of KYC. In the event of the Intermediary collecting and verifying KYC documents without following the procedure prescribed by CVL then, without prejudice to any other rights and remedies that CVL may have against the Intermediary, CVL shall be entitled to reject the request for recording KYC details of the client at CVL. In the event of CVL discovering that the applications were collected and verified without the Intermediary following the prescribed procedure, then CVL shall also be entitled to reject the request for recording KYC details of the client at CVL;
- (x) The Intermediary shall reject any KYC application submitted by any investor who is his client, if the particulars contained in such application do not tally with the contents of the document submitted in support thereof by the investor.
- (xi) The Intermediary upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the Intermediary, at any stage, the Intermediary shall be responsible for uploading the updated information on the CVL system and for sending the scanned images of the documents to CVL, wherever necessary.

- (xii) The Intermediary shall comply with such Service Level standards as may be communicated by CVL;
- (xiii) The Intermediary shall comply with and shall be responsible for complying with all the directions, orders, instructions, procedures of CVL with regard to any of the activities or in performing any of the functions stated in the 'Terms and Conditions';
- (xiv) The Intermediary shall not use the KYC data of a client obtained from the CVL system for purposes other than it is meant for; nor shall it make any commercial gain by sharing the same with any third party including its affiliates or associates;
- (xv) The Intermediary shall be responsible for the KYC of its clients, by undertaking enhanced KYC measures commensurate with the risk profile of its clients;
- (xvi) The Intermediary shall promptly pay CVL such amounts as may be decided and communicated by CVL for the usage of the system, data, information and other services as offered by CVL, failing which action may be initiated against the Intermediary, including disconnection or suspension of services by CVL;
- (xvii) The Intermediary shall redress the grievances of the clients within one month of the date of receipt of the complaint and keep CVL informed about the number, nature and other particulars of the complaints from such investors;
- (xviii) The Intermediary shall exercise due diligence, ensure proper care and exercise independent professional judgement while carrying out KYC for its clients;
- (xix) The Intermediary shall ensure that the Board/FMC and CVL is promptly informed about any action, legal proceeding, etc., initiated against it in respect of any material breach or non-compliance by it, of any law, rules, regulations and directions of the Board/FMC or of any other regulatory body;
- (xx) The Intermediary shall intimate CVL of any change in status and constitution as may be applicable to the Intermediary in accordance with regulations and circulars issued by the Board/FMC/Operating Instructions or circulars issued by CVL.
- (xxi) The Intermediary shall ensure that any person it employs or appoints to conduct its business is fit and proper and otherwise qualified to act, in the capacity so employed or appointed including having relevant professional training or experience;
- (xxii) The Intermediary shall be responsible for the acts and omissions of its employees in respect to the conduct of its business;

- (xxiii) The Intermediary shall not indulge in manipulative, fraudulent practices in the process of identification, verification and updation of a Client's KYC information with a view to distort market equilibrium or making personal gains;
- (xxiv) The Intermediary shall not seek KYC details of entities other than his clients from CVL.

3. Confidentiality:

The Intermediary hereto shall keep strictly confidential all technical, business and other information including but not limited to that which may be disclosed or confided to it by the other in the course of the performance of the obligations under this 'Terms and Conditions'. Neither the Intermediary nor CVL shall disclose the same to any third party without prior approval of the other party. This clause shall survive the termination of registration of the Intermediary with CVL. The following are the exceptions to this clause:

- a. information already in public domain;
- b. such information as is required to be disclosed by the disclosing party under any laws, rules or regulations or pursuant to the order or direction, of any Court, authority, tribunal or forum.

4. Change of address:

The Intermediary shall also inform CVL of any proposed change in address of its office and registered office. Further, the Intermediary shall also inform CVL about any change in the details of the Compliance Officer and / or the Administrator to CVL system such as name, designation, telephone number, fax number or mobile number.

5. Prohibition against Assignment, etc:

The functions, rights or obligations under these 'Terms and Conditions' shall not be assigned or delegated to any party or person by the Intermediary without the express prior written consent of CVL. Any purported assignment or delegation in contravention of the terms of the 'Terms and Conditions' shall be null and void.

6. Suspension and Termination:

CVL may, if it is satisfied that it is necessary so to do, at any time and on such conditions as it thinks fit, suspend or deny or terminate access to the CVL system under the following circumstances:

- (i) The certificate of registration granted to the Intermediary by the Board/FMC is revoked or suspended and / or an order restraining, prohibiting or debarring the Intermediary from dealing in securities in the capital market is

passed by the Board/FMC or any other regulatory authority and / or the operations of the Intermediary are suspended or terminated by the Stock Exchange or Depository where the Intermediary is a Member;

- (ii) In the event of winding up petition being presented in any court or a resolution being passed for voluntary winding up the Intermediary or in the event of CVL considering in its absolute discretion that the occurrence of such events is imminent;
- (iii) In the event of the Intermediary committing breach of any of the terms, conditions, stipulations or its obligations under these 'Terms and Conditions'
- (iv) In the event of any restriction imposed on the Intermediary by an order issued by regulatory authority.

7. Withdrawal of registration of the Intermediary with CVL:

The Intermediary shall be entitled to terminate the registration with CVL by giving 30 days written notice in that behalf to CVL provided that all the dues to CVL have been paid. The Intermediary shall continue to be responsible for the KYC done by it even after such withdrawal. An Intermediary shall not receive any change or modification recorded with CVL in respect of any client for earlier KYC linked to the Intermediary after it terminates the registration.

8. Responsibility of the Intermediary post Suspension and Termination / Withdrawal of registration with CVL

In the event of Suspension and Termination (mentioned at heading no. 6) and withdrawal of registration of the Intermediary with CVL (mentioned at heading no. 7), the Intermediary shall be solely responsible to ensure that the information received by the Intermediary from CVL is not disclosed unless otherwise required under any laws, rules or regulations or pursuant to the order or direction, of any Court, authority, tribunal or forum and in case of any such claim, the said Intermediary would be solely responsible for the same.

9. Indemnity:

The Intermediary shall indemnify and keep CVL, its directors, officers, employees and agents indemnified of, from and against any cost, expenses, charges, which CVL is required to incur or has incurred to defend any such claim, suit, demand, prosecution, proceedings, due to any act of omission or commission, fraud, negligence or default on the part of the Intermediary as a user of the CVL System.

10. Force Majeure, etc.: Notwithstanding anything contained herein, CVL shall not be liable to the Intermediary for any harm, loss, damage or injury caused due to causes

beyond its control such as tide, storm, cyclone, flood, lightning, earthquake, fire, blast, explosion or any other act of God, war, rebellion, revolution, insurrection, embargo or sanction, blockade, riot, civil commotion, labour action or unrest including strike, lock-out or boycott, interruption or failure of any utility service, enemy action, criminal conspiracy, act of terrorism or vandalism, sabotage, hacking, unanticipated technological or natural interference or intrusion, loss or damage to satellites, loss of satellite linkage or any other data communications linkage, loss of connectivity or any other irresistible force or compulsion.

11. Service of Notice:

Any notice or communication required to be given under this 'Terms and Conditions' shall not be binding unless the same is in writing and shall have been served by hand delivery against acknowledgement or by registered post at the Registered Office address of CDSL Ventures Limited (in case a notice is to be served to CVL) and to the address recorded with CVL in case a notice is to be served to the Intermediary.

12. Arbitration and Conciliation:

The Intermediary hereto shall, in respect of any disputes and differences that may arise between the Intermediary and CVL in respect of any matter stated in this 'Terms and Conditions', or in connection or arising out of this 'Terms and Conditions' or with regard to interpretation thereof shall refer the same to arbitration of a sole arbitrator. In the event of disagreement between the parties on appointment of a sole arbitrator, each of the parties hereto shall appoint one arbitrator and the two arbitrators so appointed shall appoint the third arbitrator who shall act as an umpire. The arbitration shall be governed in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereto. The place of arbitration shall be Mumbai and the language of arbitration proceedings shall be English.

13. Governing Language:

All deeds, documents and writings that may be executed and all correspondence that may be exchanged between the Intermediary and CVL hereto in relation to the subject matter of this 'Terms and Conditions' shall be in English language, which shall be the governing language between the Intermediary and CVL hereto.

14. Governing Law and Jurisdiction:

The use of CVL system by the Intermediary shall be governed in all respects by the laws in force in India. The Intermediary agrees to submit to the exclusive jurisdiction of the courts in Mumbai.

These 'Terms and Conditions' shall be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by Board/FMC and rules, regulations, bye Laws, Operating Instructions and circulars/communiqués/notices of CVL.

15. Change of Terms and Conditions:

CVL reserves the right, in its sole and absolute discretion to amend, delete, modify, vary, or supplement any of the terms and conditions at any time and will endeavor to give prior notice of fifteen days for such changes.

16. Headings:

The headings in this 'Terms and Conditions' are for convenience and reference only and shall in no way affect the construction or interpretation of this Agreement.

17. Interpretation:

Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and vice versa and any reference to any statute, enactment or legislation or any provision thereof shall include any amendment thereto or any re-enactment thereof.

I/We hereby accept the above 'Terms and Conditions' and I/We provide my/our consent by attesting the same.

Signature:

Name of the Designated / Whole Time Director(s) / Company Secretary:

Stamp of the Intermediary:

Date:

Place: