

## **Annexure N**

### **Terms and Conditions to avail electronic facility provided by Depository for submission of instruction in electronic form to Participant**

#### **1. Definitions and Interpretation**

In this, words and expressions listed in this Clause shall carry the meaning assigned to them in this Clause:

- i. "PIN" shall mean the Personal Identification Number, either assigned to the Client or chosen by the Client for its Digital Signature Certificate, which may be necessary for the Client to access electronic facility.
  - ii. "Possessed Object" shall mean such object which are capable of storing information and affixing digital signature and which may be used by the Client for authorising any instruction issued by the Client to the Participant through electronic facility.
  - iii. "Pre-notified Accounts" shall mean accounts of such type and number as to which NSDL may permit the Client to transfer securities from the Client's account, if the Client uses only Remembered Information for the purposes of accessing electronic facility.
  - iv. "Remembered Information" shall mean and include such confidential information such as password or such other information used for authentication of the Client while making use of electronic facility provided by Depository, as may be generated by the Client or changed from time to time.
  - v. "Electronic facility" shall mean the Internet-based common infrastructure facility provided by NSDL, which is being used by the Participant to accept instructions from the Client and to provide information about Client's account in relation to the operation of the Client's account.
2. The Client have an option of either having a Possessed Object for validation of the Client's access to electronic facility or generating the Client's own Remembered Information for validation of such access by the Client. Client shall abide by such measures as may be required to ensure the safety and security of the Client's access to and usage of electronic facility and instructions received from Participant or NSDL.
3. The Client agrees to take adequate safety measures for accessing electronic facility, including but not limited to:
- a. In case the Client has opted for Remembered Information for access to electronic facility, the Client shall take all the necessary steps to ensure confidentiality and secrecy of the Client's Remembered Information used for authentication of the Client and shall not reveal the same to any employee, agent or official of the Participant or to any other person. The Client acknowledges that failure to adhere to safety and security measures prescribed by NSDL and the Participant could lead to a loss of confidentiality and secrecy of the Remembered Information, thereby exposing the Client to the risk of financial losses.
  - b. In case the Client has opted for the Possessed Object, for the purpose of identifying the Client in the process of authenticating the Client's access to electronic facility, the Client shall take all necessary steps to ensure that the Possessed Object is kept safely with itself and not to part with possession of the same to any third party. The Client shall also ensure that the safety instructions issued for the usage of the Possessed Object are strictly adhered to.

4. The Client acknowledges that in the interests of the security of the Client's usage of electronic facility, if the Client does not opt for Possessed Object as a means of authenticating the Client's access to electronic facility, the Client shall be entitled to transfer securities only to the Pre-notified Accounts. Further, the Client shall submit to the Participant an undertaking in the enclosed format from the holder of the pre-notified account.
5. The Client acknowledges that all instructions received by the Participant, authenticated pursuant to use of Remembered Information or Possessed Object shall be conclusive evidence of such instructions having been issued by the Client and shall be attributed to the Client. The Participant shall not be held liable for acting on the instructions so received.
6. If the Client has reason to believe that the confidentiality of the Remembered Information has been compromised or that the Possessed Object has been lost/ misplaced/ stolen, the Client shall intimate the Participant forthwith about such compromise or loss. The Participant shall take best efforts to forthwith disable the Client's access to electronic facility not later than one Working Day of receipt of such intimation from the Client. However, if any instructions are received prior to such disablement, the Participant shall not be liable for losses, if any, arising out of execution of such instructions.
7. The Client agrees that in the event of the Client desiring to operate any joint account through electronic facility, it shall be a condition precedent for usage of electronic facility that all the joint holders shall execute a Power of Attorney favouring any one individual who shall be deemed to be the user of the Remembered Information or the Possessed Object for access to electronic facility and issue of instructions to the Participant. The Client hereby ratifies and upholds all such instructions issued through electronic facility using such Remembered Information or Possessed Object, as the case may be. In the event the Client changes the holder of the power of attorney, the Client shall deposit the new power of attorney with the Participant and ensure that authority to access electronic facility is transferred from the old power of attorney holder to the new power of attorney holder. The usage of and access to electronic facility using the Remembered Information or Possessed Object, as the case may be, shall be deemed to have been made by the holder of the power of attorney at the time of such access and use.
8. The Client shall enter all its instructions in a timely manner to ensure that the same are capable of being received by the Participant by accessing electronic facility at least one clear Working Day prior to the execution date expected by the Client. (For e.g. if the execution date is on a Friday, the instructions must be received by electronic facility latest by Wednesday) The receipt of instructions by electronic facility shall be indicated by means of message receipt confirmation screen that shall be generated on the Client's computer screen, which shall be capable of being printed out for the Client's record. If the instructions are received through electronic facility before the aforesaid deadline, the Participant shall be fully responsible for executing the same within the prescribed deadline. If the instructions are received through electronic facility after the aforesaid deadline, the instructions may be executed by the Participant on a best-efforts basis, and the Participant shall not be liable for non-execution of the same. The Client further acknowledges that the Client shall not have any right to any claim against either the Participant or NSDL for losses, if any, incurred due to non-execution of such instructions received late and/or executed on a best-effort basis. In the event of any dispute relating to the date and time of receipt of the instructions on electronic facility, NSDL's records shall be conclusive evidence and the Parties agree that NSDL's decision on the same shall be final and binding on both Parties.
9. The Participant shall promptly inform the Client through electronic facility about the status of the instructions received through electronic facility, but in no case later than 12.00 noon of the next Working Day of execution date of instructions.

10. The Client may opt out from this facility at any time by giving a notice in writing or through electronic facility to the Participant. The Participant shall terminate the service within fifteen (15) days of receipt of such notice.
11. This facility unless opt out by Client earlier shall be deemed to be opt out immediately on closure of demat account.
12. The Client agrees to indemnify, keep indemnified and hold the Participant and NSDL harmless from any loss, damage, claim, suits, legal proceedings, investigations, expenses of every kind and any other liability whatsoever, including reasonable attorney's fees and fees of such experts as may be become necessary for NSDL and / or the Participant to engage, caused due to the availing of the services by the Client in any and all circumstances including without limitation, the following:
  - a. Falsehood or misrepresentation of any nature by the Client (or any person acting on behalf of the Client);
  - b. Failure to use a trustworthy system for access the electronic facility
  - c. Failure to take the precautions necessary to prevent the compromise, loss, disclosure, modification, or unauthorised use of the Client's Remembered Information, Possessed Object or the private key used to execute the Client's digital signature
13. Notwithstanding anything contained herein, the Client recognises and acknowledges that the Participant may, in accordance with instructions received by the Participant from NSDL, prescribe such other security measures as it deems fit, in replacement of or supplementing the validation process through the use of Remembered Information or Possessed Objects, including without limitation the use of biometrics and such other methods as would validate the identity of the Client for access to the electronic facility. The Client agrees that a condition precedent for the Client's access to electronic facility is that the Client shall provide such information, data, and access to its representatives and personnel, as may be designated by the Client as the users of the electronic facility in order to enable Participant to generate such biometric criteria or other criteria in accordance with the security measures prescribed by Participant, in accordance with instructions received by the Participant from NSDL.
14. The Participant may withdraw the access of the Client to electronic facility at any time provided a notice of at least thirty (30) days is given to the Client. The Participant may suspend or terminate the service without prior notice if the Client has breached any of these terms and conditions or rights and obligation of demat account, or if the Participant learns of the death, bankruptcy, lunacy or loss of legal capacity of the Client.
15. Any dispute or difference between the Parties shall be resolved solely by means of reference to binding arbitration under the arbitration mechanism as provided in the Bye-Laws and Business Rules.
16. The above terms and conditions are in addition to and do not undermine in any manner whatsoever the terms and conditions forming a part of the rights and obligation of Participant and Client.

(Draft undertaking to be given on the letter head of the clearing member)

Date:

Name of the client

Address

Depository Account No.: (DP Id & Client Id)

Dear Sir/Madam,

We acknowledge your request to nominate our depository account as a pre-notified account for the purpose of receiving credits from your account. We have no objection for the same.

We agree that if any securities are moved to our accounts which are not due to us for any reasons including but not limited to an error or fraud, we undertake to immediately return the securities to you. The details of our account are as under:

CM-BP-Id	I	N						

Yours faithfully,

(Authorised Signatories)

To be signed by the Clearing Member

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I/We hereby nominate the above account holder as our pre-notified account where securities can be credited from my/our account using the common infrastructure through internet.

(Authorised Signatories)

To be signed by the Client