

**SLB Model Agreement between SLB Member and Client  
Part B**

This agreement is made and executed at ... .. this ... .. day of ... .. ,20\_\_

Between:

**M/s. Navia Markets Limited**, a body corporate, registered/ incorporated under the provisions of Companies Act, 1956, having its office/registered office at Ganga Griha, 4<sup>th</sup> & 5<sup>th</sup> Floor, No.9, Nungambakkam High Road, Nungambakkam, Chennai – 600 034, (hereinafter referred to as “**SLB Member**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors and administrators/ the partners of the said firm for the time being, the survivor or survivors of them and the heirs, executors and administrators of such last survivor / its successors and assigns, as the case may be ) of the **One Part**;

And

Mr./Ms./M/s. \_\_\_\_\_, an individual/ a proprietary concern/ a partnership firm / a body corporate, registered/ incorporated under the provisions of Indian Partnership Act, 1932, Companies Act, 1956, having his/her/its Permanent Account Number .....(“**PAN**”)/Unique Client Code (“**UCC**”) number..... and his / her / its residence / registered office at ....., (hereinafter called “ **Client**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors and administrators /the partners for the time being of the said firm, the survivor or survivors of them and the heirs, executors and

administrators of such last survivor/its successors and assigns, as the case may be) of the **Other Part**;

## **WHEREAS**

- i) The Securities and Exchange Board of India ("**SEBI**") has formulated and issued the Securities Lending Scheme, 1997 vide its circular SMD/Policy/SL/CIR-09/97 dated May 7, 1997 and MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007 ("**Securities Lending Scheme**"), which governs securities lending and borrowing activities in the Indian capital market and facilitates for lending and borrowing of securities through an "Approved Intermediary" registered with SEBI;
- ii) Indian Clearing Corporation Limited (**ICCL**) is registered as an **Approved Intermediary (AI)** under the Securities Lending Scheme and is, therefore, authorised to facilitate lending and borrowing of the securities in accordance with the Securities Lending Scheme and circulars of SEBI issued from time to time. As such Approved Intermediary, ICCL is inter alia entitled to carry on, under the Securities Lending Scheme, the business of facilitating lending and borrowing of securities ("**the SLB Business**").
- iii) Under the said SEBI Circular, there would be one master agreement with two individual parts. The first part of the agreement would be between the AI and the SLB Member and the second part of the agreement would be between the SLB Member and the Client. Pursuant to the same, therefore, securities lending and borrowing can be undertaken by the SLB Member either on their own account or on account of the Client registered with them by entering into an agreement with them.
- iv) In terms of the Securities Lending Scheme, every SLB Member desirous of engaging in the business of securities lending and borrowing is required to enter into an agreement with ICCL which shall be referred to as "Part A". The SLB Member is also required to enter into an agreement with Client, which shall be referred to as "Part B". Part A and Part B together shall constitute the master agreement.
- v) The SLB Member has accordingly approached ICCL for participating in the SLB Business extended by ICCL as an Approved Intermediary.

- vi) ICCL has agreed to extend its SLB Business to the SLB Member subject to terms and conditions contained in Master Agreement.
- vii) Whereas the SLB Member is registered with SEBI under its registration number **INZ000095034** dated 14/12/2016.
- viii) The SLB Member has satisfied itself about the genuineness and financial soundness of the Client and objectives relevant to the services to be provided and therefore is agreeable to facilitating such participation subject to the terms and conditions contained herein.
- ix) The SLB Member has made the Client aware of, and the Client has understood the precise nature of the SLB Member's liability under SLB Business , including any limitations and the capacity in which the SLB Member acts.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:**

### **1 Legal Framework.**

- 1.1 Unless the context otherwise requires, the words and expressions used herein shall have the same meaning as defined in the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or Securities Lending Scheme or the Depositories Act, 1996 or the rules and regulations made there under respectively, or notices, directions, orders and Circulars issued by SEBI and/or ICCL and/or BSE or the Rules, Bye-laws and Regulations of the Bombay Stock Exchange Ltd ("**BSE**").
- 1.2 The provisions of the Securities Lending Scheme and the Circulars issued by the SEBI from time to time and Rules, Byelaws and Regulations and/or notices of ICCL and/or of BSE shall be deemed to be an integral part of this agreement and all the transactions under the SLB Business shall be strictly in accordance therewith. In the event of any conflict or contradiction between the provisions of the Securities Lending Scheme, Circulars, notices, directions, orders, Rules, Byelaws and Regulations of ICCL and/or of the BSE, and this Agreement, the provisions of the Securities Lending

Scheme, (or any amendments thereto or any clarification thereof) the statute, rules, regulations, bye-laws or scheme occurring sequentially earlier in the above list shall prevail over the one occurring sequentially subsequent thereto over this Agreement. The provisions of this agreement are in addition thereto and not in derogation thereof.

- 1.3 The provisions of this agreement shall become applicable to the Securities Lending Scheme or such other scheme as may be framed by AI with prior approval of SEBI or as may be permitted by SEBI unless otherwise specified by AI.
- 1.4 Under the said Securities Lending Scheme, there would be one master agreement with two individual parts. The first part would be between the AI and SLB Member as Part A and second part of the agreement would be between SLB Member and Client as Part B.
- 1.5 The provisions of Part A Shall form part and parcel of this agreement. A certified true copy of Part A agreement is annexed to this agreement.
- 1.6 Under the Securities Lending Scheme, the agreement is only between the SLB Member and the AI and there is no privity of contract between the SLB Members interse. Similarly, there is no privity of contract between Clients interse.

**2. ELIGIBILITY CRITERIA:**

Any person who meet the eligibility criteria as may specified by AI and Securities Lending Scheme for clients shall be eligible to participate in SLB Business by entering into this agreement with SLB Member.

**3. CONSIDERATION:**

In consideration of the SLB Member providing full-fledged securities lending and borrowing under the SLB Business, the SLB Member shall be entitled for charges, fees, other levies and /or any such other charges, subject to such limits, if any, as may be permitted by AI from time to time.

## **4. RIGHTS OF SLB MEMBERS**

### **4.1 Margins:**

The SLB Member is empowered to call upon the Client to pay such margins as may be specified by the AI from time to time.

### **4.2 Recovery.**

The SLB Member shall be entitled to recover from the client the loss or charges, fees, other levies and /or any such other charges that has been paid by SLB Member to ICCL / BSE or imposed by ICCL/BSE on account of his client arising out of default or SLB transactions whether current or past that are effected by the Client in meeting its obligations under the Securities Lending Scheme by adjusting margins and other deposits, if any, available with the SLB Member against the Client's liabilities / obligations.

## **5. OBLIGATIONS OF SLB MEMBER**

### **5.1 Compliance with Know Your Client Norms.**

The SLB Member hereby undertakes to maintain the Know Your Client (“KYC”) details of the Client as mentioned in the Annexure A (Client registration form) or any other information pertaining to the Client in confidence and that it shall not disclose the same to any person/ authority except as required under any law / regulatory requirements or in compliance with any decree, order or direction of any Court, Tribunal, SEBI or other authority duly empowered in law; Provided however that the SLB Member may so disclose information about its / his Client to any person or authority with the express permission of the Client.

### **5.2 Issue of Confirmation Memo:**

SLB Member shall upon execution of the Client’s transaction on the SLB Trading platform of AI issue the confirmation memo in the prescribed format or any such other document to the Client within such time as may be prescribed by AI from time to time.

### **5.3 Money/ Securities to be Kept in Separate Bank Account.**

The SLB Member agrees that the money / securities deposited by the Client shall be kept in a separate bank account/ settlement demat account, distinct from his / its own account or accounts of any other Clients and shall not be used by the SLB Member for himself / itself or for any other Client or for any purpose other than the purposes mentioned in Securities Lending Scheme, Rules, Regulations, circulars and guidelines prescribed by SEBI/BSE/ICCL from time to time.

### **5.4 Updates on Settlement Process;**

The SLB Member agrees to inform and keep the Client apprised about SLB /settlement cycles, delivery/payment schedules, any changes therein from time to time.

### **5.5 Reconciliation of Accounts:**

The SLB Member and the Client shall agree to reconcile their accounts regularly with reference to the transactions under SLB Business.

### **5.6 Return of Securities and Lending Fees**

5.6.1 Where the Client is a Lender unless otherwise agreed upon between the SLB Member and the Client

5.6.1.1 The SLB Member shall ensure the return of the securities lent to the Client by transferring the same to the Client's account within such time as may be prescribed by AI.

5.6.1.2 The SLB Member shall also ensure the return of the lending fees within such time prescribed by AI from the date of receipt of the same from AI.

## **6. DELIVERY OF SECURITIES**

6.1 Where Client is a borrower unless otherwise agreed upon between the SLB Member and the Client –

6.1.1 The SLB Member shall ensure delivery of the securities to the Client by transferring the same to the clients account within such time as may be prescribed by AI.

## **7. RIGHT OF CLIENT**

### **7.1 Where the Client is the Lender unless otherwise agreed upon between the SLB Member and the Client -**

7.1.1 The Client shall be entitled to receive the securities lent or financial compensation in lieu thereof, calculated in such manner as may be specified by AI from time to time.

7.1.2 The Client, shall be entitled to receive lender's fee for the securities lent.

### **7.2 Where the Client is the borrower unless otherwise agreed upon between the SLB Member and the Client-**

7.2.1 the client shall be entitled to receive securities borrowed or financial compensation in lieu thereof calculated in such manner as may be specified by the AI from time to time.

7.2.2 Where the client, deposits securities approved by the AI as collateral, the Client shall be entitled to receive from the SLB Member, the equivalent collateral.

7.2.3 Notwithstanding any other provisions of the part A and part B of the master agreement, the Client shall be entitled to have all the rights that are conferred on him from time to time by Securities Lending Scheme, circulars, notices, orders, directions and/or the Rules, Byelaws, Regulations of ICCL and/or of BSE and /or of SEBI for the purpose of SLB Business.

## **8. OBLIGATION OF CLIENT**

### **8.1 Abide by Law & Acquaintance To Law.**

The SLB Member declares that it has brought the contents of the Securities Lending Scheme, the circulars and notices of SEBI/BSE/ICCL and Rules, Regulations, Bye-laws of BSE with respect of the Securities Landing Scheme to the notice of the Client. The Client agrees to abide and comply with and adhere to the aforesaid and circulars, notices, directions, order etc. that may be promulgated or issued from time to time either by SEBI and/or ICCL and/or BSE.

## **8.2 Update & Comply with the Settlement Process:**

Notwithstanding anything contained in Clause 5.4, the Client shall at all times make his own inquiries and keep himself updated with all settlement cycles, delivery/payment schedules and changes therein, and it shall be the responsibility of the Client to comply with such schedules/procedures of ICCL/BSE.

## **8.3 Processing Charges**

8.3.1 The Client agrees to pay to the SLB Member processing charges and statutory levies prevailing from time to time or any other charges for the services provided by the SLB Member under Securities Lending Scheme.

8.3.2 The SLB Member agrees that it shall not charge processing charges/fees beyond the maximum limit permissible under the Securities Lending Scheme and the Circulars issued thereunder by SEBI from time to time.

## **8.4 Change in KYC Information.**

The Client agrees to immediately notify the SLB Member in writing if there is any change in the information mentioned in the 'Client registration form' provided by the Client to the SLB Member at the time of opening of the account or at any time thereafter.

## **8.5. Authorised Representative:**

The Client agrees to be bound by the instructions issued by its authorized representative, if any, in accordance with the letter authorizing the said representative to deal on its behalf.

## **8.6 Return of Securities**

The Client shall return the equivalent number of securities of the same type and class borrowed by it within the time specified by AI in the Circulars issued from time to time.

## **8.7 Payment of Margins**

The Client agrees to pay such margins as may be specified by the SLB Member in accordance with the requirement of AI or SEBI from time to time.



### **8.8 Exposure/Position Limits**

The Client agrees to abide by the exposure/position limits, if any, set by the SLB Member or by the ICCL or SEBI from time to time.

### **8.9 Securities Lent unencumbered.**

The Client hereby undertakes and warrants that the securities lent shall be free from any lien, charge, pledge or any encumbrances of whatsoever nature.

### **8.10. Collateral**

At the discretion of the SLB Member, The Client may or may not deposit the required collateral free from encumbrances with the SLB Member in the form of cash, bank guarantee, Government securities or Fixed Deposit Receipts of bank(s) or other securities as may be specified by ICCL/BSE from time to time. If any defect in title or encumbrance/s over the collateral (securities) deposited with ICCL/BSE is found subsequently, such collateral (securities) shall be immediately replaced by the Client

### **8.11. Insolvency**

The Client agrees to immediately furnish information to the SLB Member in writing, if any winding up petition or insolvency petition has been filed or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material adverse bearing on his net worth has been filed against him.

### **8.12. Cancellation of Transaction**

Notwithstanding anything contained in master agreement, the AI shall be entitled to suo moto cancel SLB transactions or under the regulatory guidelines, all such transactions including the trade/s done on behalf of the Client shall ipso facto stand cancelled, and in such event neither ICCL/ BSE nor the SLB member shall be liable to compensate the client for any loss (including any opportunity loss) arising out of such cancellation.

### **8.13. Discontinuation of SLB Business:**

The ICCL shall be entitled to discontinue the SLB Business or the participation of the SLB Member in the SLB Business at any time at its discretion. Such discontinuation may be subject to such terms and conditions as may be specified by the ICCL from time to time.

## **9. ARBITRATION:**

The SLB Member and Client shall co-operate with each other in redressing their grievances in respect of SLB transactions.

All disputes and differences or questions arising out of or in relation to this agreement including obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of the Agreement shall in the first instance be resolved mutually by the parties. If the parties fail to resolve the same mutually, then the same shall be referred to arbitration as provided in the Rules, Byelaws and Regulations of BSE.

## **10. GOVERNING LAW AND JURISDICTION**

- 10.1 This agreement shall be governed by and construed in all respects in accordance with the laws of India.
- 10.2 In relation to any legal action or proceedings to which AI is a party, the parties irrevocably submit to the exclusive jurisdiction of the courts of Mumbai, India and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
- 10.3 In relation to any legal action or proceedings to which AI is not a party, the parties irrevocably submit to the jurisdiction of any competent court of law where the Client ordinarily resides at the time of execution of the securities lending and borrowing transactions.

## **11. EFFECTIVE DATE**

This Agreement shall be effective as of the date first set forth above once executed by or on behalf of both parties from the date of execution and with immediate effect the Client shall be eligible to participate in the SLB Business from the date the AI permits SLB Members to participate in the SLB Business subject to fulfilment of the provisions and stipulations of the notices, circulars, guidelines, orders, rules, byelaws and regulations of ICCL and/or BSE for the Securities Lending Scheme.

## **12. TERMINATION & CONSEQUENCES:**

- 12.1 This agreement shall forthwith terminate if the SLB Member for any reason ceases to be a SLB member of the ICCL (including cessation of membership by reason of the SLB Member's default, death, resignation or expulsion) or if the SEBI Registration of such SLB Member is cancelled.
- 12.2 The SLB Member and the Client shall each be entitled to terminate this agreement without giving any reasons to the other party, after giving notice in writing of not less than 30 days to the other party.
- 12.3 Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this agreement shall continue to subsist and vest in /be binding on the respective parties or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

## **13. AMENDMENT**

This agreement shall not be altered, amended and /or modified by the parties in a manner that shall be in contravention of the provisions of the Securities Lending Scheme, the circulars, notices, directions and/or orders and the Rules, Regulations and Bye-laws of the ICCL and/or the BSE and / or of SEBI.

## **14. STAMP DUTY:**

Stamp duty, if any, applicable / payable on this Agreement, shall be borne by the SLB member;

**15. HEADINGS**

The headings of the clauses are used for the purpose of convenience only and shall not affect the construction of the clauses or this agreement.

**IN WITNESS WHEREOF** the parties to this agreement have caused these presents to be executed as of the day and year first above written.

The Client's Signature/  
Authorised Signatory:

**For Navia Markets Limited**

**Authorised Signatory**

Signed by:  
Title:  
Name of the Client:

Signed by:  
Title:  
Name of the SLB Member:

Witness:

Witness:

1.

1.

2.

2.