

## **REFUSAL OF ORDER FOR PENNY STOCKS**

BROKER does not encourage trading in penny stocks or securities falling in T2T or Z group of BSE and / or BE group NSE and reserves its right to refuse orders in such securities from the clients desiring to deal in such shares, stocks, securities.

Under exceptional circumstances and considering merits on case to case basis, trading in penny stocks/T2T/Z/BE category may be allowed to clients on delivery basis subject to stringent verifications of the client holdings, intentions and bonafide reasons given by the intending clients.

However if it is observed that client/s is/are indulging in trading activities only in penny stocks or securities falling in T2T or Z group of BSE and / or BE group of NSE or carrying on any insider trading activity, the client account maybe immediately suspended without any reasons being given to the client/s.

Further client's traded volumes vis-a-vis market volumes will be considered and 10% of market volumes will be allowed or such market volume as decided by the BROKER from time to time, subject to due diligence of the RMS and Compliance department. Further trading limits will be allowed subject to the client making margin payments, history of the client, trading platform, intention of doing the trades. The said additional trading limits may not be allowed on a regular basis to the client/s. BROKER shall classify those scrips which have average trading volume of less than 5000 shares in the last 7 preceding trading days as penny stocks.

## **SETTING UP OF CLIENTS EXPOSURE LIMITS**

1. Exposure limits are linked to the cash and the existing collaterals lying with BROKER
2. The sum total of the following items will be considered as available margin for the next trading day:
  - a. Ledger balance (BSE Cash & F&O segment, NSE Cash & F&O and Currency segment).
  - b. Value of free securities lying in the Depository Account (having POA for pay-in and pay-out) of BROKER after hair cut of:
    - (i) flat 20% of the value of securities or
    - (ii) % of VaR Margin as may be prescribed by the Exchange
  - c. Margin requirement in F&O segment (SPAN, EXPOSURE and Special Margins) as may be levied by the Exchange from time to time. BROKER may in its sole discretion levy additional margin in special circumstances to mitigate any eventualities.

The client can get exposure against his / her available margin for trading equal to X no. of times in Cash Segment and as far as F & O is concerned, as per fulfillment of applicable margin requirement, subject to revision or modifications depending upon the volatility in the market.

(X no. of times it will depend upon the risk profile of the respective clients.)

## **BROKERAGE ON DEALINGS**

### **Brokerage Philosophy**

BROKER or any of its sub brokers does not encourage sale or purchase of securities with the sole object of generating brokerage or commission. Also, neither BROKER nor any of its branches, sub-brokers, authorized persons or remisers furnish false or misleading quotations or give any other false or misleading advice or information to the clients with a view of inducing him / her / it to do business in any particular securities simply to enable BROKER to earn brokerage or commission thereby.

## Brokerage

1. BROKER is entitled to charge brokerage at rates not exceeding the official scale prescribed by the relevant authority, from time to time upon the execution of all orders in respect of purchase or sale of securities.
2. The Client shall sign against the brokerage slab specifically written in the Client Registration Form and in case of any deviation in the rate as agreed it shall be communicated by either party in writing 7 days in advance.

## Underwriting Commission and Brokerage

3. Unless otherwise determined and restricted by the relevant authority, BROKER may, in its discretion, charge such brokerage or commission for underwriting or placing or acting as a broker or entering into any preliminary arrangement in respect of any floatation or new Issues or Offer for Sale of any security as it may agree upon with the issuer or offerer with the principal underwriters or brokers engaged by such issuer or offerer, subject to limits stipulated under the relevant statutory provisions as may be applicable from time to time.

## IMPOSITION OF PENALTY/DELAYED PAYMENT CHARGES BY EITHER PARTY, SPECIFYING THE RATE AND THE PERIOD (THIS MUST NOT RESULTING IN FUNDING BY THE BROKER IN CONTRAVENTION OF THE APPLICABLE LAWS)

Without prejudice to any other provision of the Agreement the Client has been made aware and the Client understands and agrees that the Member may charge additional financial charges according to the Rules, Bye-laws and Regulations of the Exchange(s) i.e. BSE and/ or NSE and usual customs of the market.

- a. On the dealings made under or pursuant to this agreement
- b. On the Balance outstanding payable to the Member;

Notwithstanding anything contrary contained in these present, any amounts which are overdue from the Client towards trading or on account of any other reason, BROKER will charge delayed payment charges at the rate of 2% per month or such other rate as may be determined by BROKER (but not exceeding 2% per month). The Client hereby authorises BROKER to directly debit the same to the account of the Client at monthly interval (30 days). Also, BROKER may at its own discretion may provide the interest to the clients fulfilling certain conditions on clear credit balance in their account. BROKER shall in special circumstances allow setting off the debit balance lying in one account with that of credit balance lying in other account of its family member mentioned in the authorization of Group / Family dealings and signed by the Client.

## THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES (LIMITED TO THE EXTENT OF SETTLEMENT MARGIN OBLIGATION)

Without prejudice to BROKER other rights including the right to refer a matter to arbitration, BROKER shall be entitled to liquidate / close all or any of the Client's position with oral intimation to the Client either directly or through any of its Branches or Sub Brokers or Remisers who have introduced the client for non-payment of margins, other amounts due from the Client to BROKER, Exchange, or any other outstanding debts, etc. Any and all losses, financial charges and or incidental expenses incurred by BROKER on account of such liquidation/closing out shall be recovered from the Client and / or charge to and borne by the Client and/or deductible by BROKER from the monies and/ or collateral margin of the Client available with BROKER.

## SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

In case of an internal shortage in any scrip in the same settlement where both buyer & seller are clients of BROKER and sell does not deliver shares for his pay-in obligation :-

The short delivering client is provisionally debited by an amount equivalent to 125% of the rate at

which the stock was sold client. The securities delivered short are purchased from the market on T + 2day which is the Auction day on Exchange, and the purchase consideration is debited to the short delivering seller client along with the reversal entry of provisional amount debited earlier. If securities can not be purchased from market due to any force majeure condition, then all shortages not bought-in are deemed to be closed out and short delivering seller client is debited for Exchange NSE and BSE as under:

Exchange NSE: at the higher of (i) the highest price between the first day of the trading day till the day of squaring-off, or (ii) closing price on the auction day plus 20%

Exchange BSE : at the higher of (i) highest price recorded in the scrip from the trading day on which the transaction took place upto a day prior to the day of the auction i.e., pay-in day, or, (ii) 20% above the closing price on the day prior to the day of auction i.e., pay-in day

#### CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT

BROKER shall at its discretion decide, from time to time, the volume of business which the Client may transact during any trading day on respective Exchange(s). Notwithstanding such an agreement / arrangement, BROKER 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 restrictions 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 obligations / dues relating to the business / dealings under this Agreement or pursuant to any other agreement between the Client and the Member.

#### TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT REQUEST

On the request of the client in writing, the client account card be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

#### DEREGISTERING A CLIENT

Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- (i) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the client under any law in force.
- (iii) On the death/lunacy or other disability of the Client;
- (iv) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker;

- (vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- (vii) If the Client is in breach of any term, condition or covenant of this Agreement.
- (viii) If the Client has made any material misrepresentation or acts, including (without limitation) relation to the Security;
- (ix) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertakes it of the Client;
- (x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (xi) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers it self to the Board: Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

Inactive Client account :- Client account will be considered as inactive if the client does not trade for Xriod of 6 months. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive. The client has to make request for reactivation of their account.

Trading in Exchange is in Electronic Mode, based on VSAT. leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office 1 fn end system, or any such other problems/glitch whereby not being able to establish access to the trading system 1 network, ' which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or j in full. II We shall be fully liable and responsible for any such problem/ fault.

#### CLIENT ACCEPTANCE OF POLICE AND PROCEDURES STATED HEREIN ABOVE:

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended 1 changed unilaterally by the broker, provided the change is informed to me 1 us with through anyone or more means or methods. Vwe agree never to challenge the same on any grounds including delayed receipt 1 non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read always be read along with the agreement and shall compulsorily referred to while deciding any dispute 1 difference or claim between me 1 us and stock broker before any court] of law / judicial /adjudicating authority including arbitrator mediator etc.

I/We have read and understood the above policy for RMS and Controls of the member and state that I will strictly abide by 1 conditions laid in this policy.