

POLICIES & PROCEDURES

A) Refusal of Orders for penny stocks:

Penny stocks are thinly traded shares of small companies which are traded infrequently. It may be difficult to buy/sell Penny stocks. Penny stocks include the equity securities with no active trading market.

For Dealing in penny stock following procedures is being followed:

1. Authorization of the Senior Officer is to be taken if any client wants to invest in penny stocks.
2. The valid reason of the client to trade in penny stock is taken.
3. The financial position, background of the client is reviewed.

The order of a client shall be refused by the Member when it appears that

1. If the dealing amounts to manipulation of the price of the security.
2. If the dealing creates false or misleading appearance of trading in the securities market.
3. If the dealing in the security is not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of the penny stock for wrongful gain or avoidance of loss.

B) Setting up client's exposure limits:

The Client would be required to deposit a minimum margin against his/her trade which shall be decided upon by the Stock Broker and accordingly the client will be able to get exposure limits. The amount of exposure may vary from client to client, depending upon the financial position of the client as well as market condition.

C) Applicable Brokerage Rate:

The brokerage rate that would be applicable on the client shall be decided mutually between Broker and client. Such brokerage rate might increase/decrease during the course of time. Any such change would be intimated to the clients before implementing the same. However, the brokerage rate in any case would not exceed 2.5% of the transaction value as prescribed under SEBI/Exchange regulations.

D) Imposition of Penalty /Delayed Payment:

As per the laws of Exchange /SEBI, the client must make the payment of securities/funds he/ she sold/ purchased before the Pay-In date. If the client fails to make the Payment before the said period, It may impose penalty or delayed payment charges on the Client. These charges would be intimated separately.

E) Right to Sell Client securities and Close position:

By Laws of Exchange /SEBI if the Client become unable to meet, satisfy, discharge or fulfill any obligation or liability or commitment or any part thereof to Broker, then Broker. may at any time thereafter and without giving any notice to the client close out any part or all of the futures & option contract held in client account with Broker., this shall be limited to extant of settlement /margin obligation.

The necessary changes are also forming part of Rights & Obligation and RMS Policy.

F) Shortages in obligations arising out of internal netting of trades:

Subject to the rules, regulation and bye-laws of the relevant stock exchange/ SEBI, if the seller of the security, in case of internal netting of trades has failed to deliver the security in the scheduled settlement number in the designated settlement account of the member, the seller has to deliver the security in the designated Auction settlement for scheduled settlement.

However, if the seller is unable to deliver the security as mentioned above, then seller will be debited with Exchange Auction price for that particular security in Auction Settlement for the scheduled settlement along with the charges of member and buyer will get credit for Exchange auction price charged to the seller. In absence of Exchange Auction price, the highest closing price from Trading day +1 day (i.e., next trading day to actual trading) to Trading day +2 (i.e., Auction date) will be considered in place of Exchange Auction price.

G) Conditions under which a client neither may nor be allowed to take further position or the broker may close the existing position of a client:

A client is not allowed to take further position or the existing position of a client is closed on the following conditions:

1. If the ledger of a client shows continuous debit balances.
2. If the margin deposited by the client is not according to the exposure of the client.
3. If the dues are not settled by the client.
4. If the exchange is not allowing any further position in that scrip.
5. If broker's limit of taking exposure in that particular scrip comes to an end.

H) Temporarily suspending or closing a client's account at the client's request:

The account of the client shall be suspended/ closed on receipt of written request from the client specifying the reasons to close the account. If the reasons given are justified then the account of that client is suspended after effecting the settlement of the account.

I) Deregistration of a client:

A client shall be deregistered upon fulfillment of the following conditions:

- a) On receipt of the specific request from the client to deregister himself and to close his accounts.
- b) On account of breach of terms and conditions of the agreement by the client.
- c) On account of any action taken by SEBI/ Stock Exchange/ any other authority against the constituents or its partners/promoters/directors/ authorized persons or that they are debarred from accessing the securities market. On the happening of the above, the account of a client

is deregistered after effecting full and final settlement of the accounts and securities of the client.

J) Inactive Accounts

Client account will be considered as inactive if the client does not trade for a period of twelve months or such other period as may be defined by company. For treating the client account as inactive will be done at the beginning of every month. In order to reactivate the inactive account a written request has to be made by the client. The Member reserves the right to ask for any documents in support of current address, bank account, demat account, financial status, etc. before reactivating such inactive accounts.