

Policies & Procedures Client Registration

In order to ensure proper compliance with various Notices/Circulars /Guidelines issued by SEBI/Exchanges and uniformity the Company has prescribed the **Policies & Procedures** as under for guidance of all employees in HO/all Branches which is to be strictly followed by all.

[1] Refusal of orders for penny stocks

There is no formal list of the "Penny Stocks" issued by the Exchanges/SEBI. However there are shares of certain companies which are called/known as "Penny Stocks" in the Market. These shares may be part of the list of "Illiquid Stocks" issued by the Exchanges from time to time but not necessarily so in all cases. As dealing in these stocks (in physical form or demat form) is risky the Company (as a stock broker) may declined to carry out Buy/Sale Order/s of any client for so called "Penny Stock" .

[2] Setting up of Client's Exposure limits

The Company will fix the limit in value for each and every Client for which Buy/Sell Order/s of any particular Client will be executed in normal course based on "Income level" for the year confirmed by the Client and other considerations. The Company will not disclose the rational / logic of their decision (about fixation of the monetary limit). However if requested by the Client for any specific transaction/s to be carried out as a special case then it may be considered on merit.

[3] Applicable Brokerage Rate

At present SEBI permits maximum brokerage @ 2.5%.The Company charge brokerage to their Clients at the rate/s below this maximum limit. Each client will be intimated the rate at which brokerage will be charged to him / her / it. This rate will be revised by the Company based on volume of the Client's business / market conditions / other relevant factors. Any change in the rate of brokerage will be intimated to the Client in writing in advance.

[4] Imposition of penalty /delayed payment charges by either party Rate/Period

All Clients who have agreed to have a "Running Account" with the Company will have to make payments due to the Company on due date/s. In all cases if payment is not made to the Company on due date penalty / delayed payment charges for delay in payment of amount relating to settlement, margin or any other dues relating to securities transactions @ _____ % per annum. These charges shall be levied from the date of debit balance till the credit of payment in your bank account.

[5] The right to sell client's securities or close client's position, without giving notice to the client, on account of non-payment of client's dues.

In case any particular Client has failed to make payment on due date then the Company will sell that particular client's securities or close that particular client's position, without giving notice to the client on account of non-payment of dues.

[6] Shortages in obligations arising out of internal netting of trades

In case of BSE, shortages arising out of Internal Netting of trades are given for self auction to the exchange through exchange mechanisms.

In case of NSE, shortages arising out of Internal Netting of trades, client shortages are closed out by company at 10% above the closing rate of that particular scrip of auction date.



In case of shortages due to Internal Netting of trades if the Company is required to pay any penalty to the Exchange/s it will be charged to the Client concerned.

[7] Conditions under which a client may not be allowed to take further position or broker may close the existing position of a client.

It is to be noted that under following circumstances any Client will not be allowed to take further position or the Company may close that particular Client's position (i) If the particular Client is a Defaulter of amount due to the Company (ii) Value of the Collateral is not sufficient to meet the Losses incurred by the Client (iii) If according to the Company Market Conditions has turned or likely to turn unfavorable based on the information available or it is the view of the matter taken by the Company. (iv) that particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s

[8] Temporarily suspending or closing a client's account at the client's request

It is to be noted that under following circumstances any particular Client's Account may be Suspended / Closed (i) On receipt of Written Instruction from that particular Client (ii) that particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s (iii) The particular Client who has defaulted in making payment on due date to the Company (iv) on receipt of any adverse information by the Company about the particular Client.

[9] Deregistering a client.

It is to be noted that any particular Client/s who is/are covered under any of the following category will be deregistered (i) that particular Client/s is/are barred from Trading on the Exchange/s by SEBI/Exchange/s (ii) The particular Client who has defaulted in making payment on due date to the Company (iii) on receipt of any adverse information by the Company about the particular Client (iv) The Client NOT trading through the Company continuously for more than 12 months

10. Treatment of Inactive Accounts

The Clients who are inactive for the period of six months will be locked for further trading in order to avoid erroneous punching of order. Such customers can get their accounts activated by orally requesting their relationship manager or sub-broker.

I have read and understand the above policy for RMS and Controls of the Member and state that I will strictly abide by the conditions laid in this policy.



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