

## **POLICIES & PROCEDURES**

### 1. Setting up client's exposure limits/ Risk Management Policy: -

- i. The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of commodities/securities in respect of which orders can be placed etc.). The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker (including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any orders through the stock broker trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in commodities/securities through the stock broker, or it may subject any order placed by client to a review before its entry into the trading systems and may refuse to execute/execution of orders due to but not limited to the reason of lack of margin/securities or the orders being outside the limits set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. That client agrees that the losses, if any, on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.
- ii. We have a margin based RMS system. Total deposits of the clients are uploaded in the system and clients may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their risk perception.
- iii. In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

### 2. Applicable brokerage rate: -

- i. Brokerage will be charged within the limits prescribed by SEBI/Exchange.
- ii. The applicable brokerage rate is mentioned under the 'Tariff Sheet' and any future change in the brokerage rate will be communicated to the client.

### 3. Imposition of penalty / delayed payment charges: -

- i. Clients will be liable to pay late pay in/delayed payment charges for non-making payment of their payin/margin obligation on time as per the exchange requirement/scheduled at the rate up to 0.05% per day.
- ii. Further where the stock broker has to pay any fine or bear any punishment from any

## Market Pulse

authority in connection with / as a consequence of / in relation to any of the orders / traders / deals / actions of the client, the same shall be borne by the client.

4. The right to sell client's commodities/securities or close clients 'positions, without giving notice to the client, on Account of non-payment of client's dues to the extent of Settlement /Margin Obligation: -
  - i. Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's position without giving notice to the client for non-payment of margins or other lawful amounts including the pay in obligation, outstanding debts and adjust the proceeds of such liquidate / close out, if any, against the client's liabilities/obligations.
  - ii. The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on such liquidations/ closing out shall be charged to & borne by the client. In cases of securities lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc., for margin or other trade related purpose the benefit of shares due to received under Bonus, Stock split, Right issue etc., will be given when the shares is actually received in the stock broker designated demat account. In case the payment of the margin / security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instrument etc., at the absolute discretion of the stock broker. Where the margin/security is made available by way of securities or approved securities, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts prescribed by exchange or by valuing it by marking it to market or by any other approved method as the stock broker may deem fit in its absolute discretion.
  - iii. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide the referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s) for traders/Actions of Clients.
5. Shortages in obligations arising out of internal netting of trades: -
  - i. Stock brokers shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation / clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligation first.
  - ii. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

## Market Pulse

- a. The Short delivering client is debited by an amount equivalent to 20% above the closing rate of the day prior to Payin/Payout Day. The commodities/securities delivered short are purchased from market on T+2 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
  - b. If commodities/securities cannot be purchased from the market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+2 day or Auction day on Exchange +10%.  
Where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchanges Debits and Credits.
  - c. In cases of securities having corporate actions all cases of short delivery of com transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.
6. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client: -

We have a margin based RMS system. Clients may take exposure up to the amount of margin available with us. Clients may not be allowed to take position in case of non-availability/shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin/non making of payment for their payin obligation / lawful outstanding debts.

7. Temporarily suspending or closing a client's account at the client's request: -
- i. On the request of the client in writing, the client account can be suspended temporarily and the same can be activated and the written request of the client only. During the period the client account is suspended, the market transaction in the client account will be prohibited. However, client shares/ledger balance settlement can take place.
  - ii. 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 the client has to again complete the KYC requirement.
8. Deregistering a client: -

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

- i. If the action of the client is prima facie illegal / improper or such as to manipulate the price of any commodities/securities or disturb the normal/proper functioning of commodities/securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.

## Market Pulse

- ii. If there is any commencement of a legal process against the client any law on 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 mandatory & voluntary documents 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 mandatory & voluntary documents;
  - viii. If the Client has made any material misrepresentation of facts, including (winding limitation) in 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 undertaking 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 itself to the Board for industrial and Financial Reconstruction or under any other providing protection as a relief undertaking;
  - xii. If any covenant or warranty of the Client is incorrect or untrue in any material respect.
9. Inactive Client account: -
- i. Client accounts will be considered as inactive if the client does not trade within the period of the last 12 months. The ledger balance if any will be transferred to the client as per instruction of the client. The client will be required to make a written request for reactivation of their account.

### 10. Client Acceptance of Policies and Procedures stated hereinabove: -

This Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us through any one or more approved means or methods. This Policies and Procedures shall always be read along with the mandatory & voluntary documents and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator/ mediator, etc.