

POLICIES & PROCEDURES

A. Policy for Penny stock: -

Market Pulse offers trading facility to its clients in all the compulsorily dematerialised stocks which are listed on the Stock Exchanges. However, Market Pulse discourages/restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to Market Pulse Securities Private Limited (Market Pulse).

A stock that trades at a relatively low price and market capitalization. These types of stocks are generally considered to be highly speculative and high risk. Because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depending on the market conditions and RMS policy of the company RMS reserves the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

The stock broker may from time to time limit (quantity/ value)/refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies), the order being for securities which are not in the permitted list of the stock broker / exchange(s) / SEBI. Provided further that stock broker may require compulsory settlement/advance payment of expected settlement value/delivery of securities for settlement prior to acceptance/placement of order(s) as well. The client agrees that the trade related losses, if any on account of such refusal or due to delay caused by such limits, shall be borne exclusively by the client alone. The stock broker may require reconfirmation of orders, which are larger than that specified by the stock broker's risk management, and is also aware that the stock broker has the discretion to reject the execution of such orders based on its risk perception.

B. Setting up client's exposure limits and conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client/ Risk Management Policy: -

- 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 securities in respect of which order 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 placed orders or trade in securities through

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the stock broker, or it may subject any order placed by client to a review before its entry into the trading system and may refuse to execute/ execution of orders due to but not limited to the review before its entry 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 trade related losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

- MPSPL has margin-based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective securities as per VAR based margining system of the stock exchange and/ or margin defined by RMS based on their risk perception.
- 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.

If the client's order is executed despite a shortfall in the available margin, the client shall make up the shortfall immediately. The client further agrees that he/she/it shall be responsible for all orders (including orders that may be executed without the required margin in the client's account) &/or any trade related claim/loss/damage arising out of the non-availability/shortage of margin /security required by the stock broker & / or exchange & / or SEBI. The stock broker is entitled to vary the form (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of funds instead of shares) & / or quantum & / or percentage of the margin & / or security required to be deposited /made available, from time to time

The margin / security deposited by the client with the stock broker are not eligible for any interest. The stock broker is entitled to include / appropriate any / all payout of funds & / or securities towards margin / security without requiring specific authorizations for each payout. The stock broker is entitled to transfer funds &/ or securities from his account for one exchange & / or one segment of the exchange to his / her / its account for another exchange & / or another segment of the same exchange whenever applicable and found necessary by the stock broker. The client also agrees and authorises the stock broker to treat / adjust his/ her / its margin / security lying in one exchange & / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange & / or another segment of the exchange. The stock broker is entitled to disable/freeze the account &/or trading facility/any other service facility, if, in the opinion of the stock broker, the client has committed a crime/fraud or has acted in contradiction of the Mandatory and Voluntary Client Registration Documents or / is likely to evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock broker so apprehends

C. Applicable brokerage rate: -

- Brokerage will be charged within the limits prescribed by SEBI/ Exchange.
- The applicable brokerage rate is mentioned in the KYC and any future charge in the brokerage rate will be communicated to the client in writing & with his/ her consent.

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The brokerage to be charged by Market Pulse shall be exclusive of all statutory levies such as Goods and Services Tax, Stamp duty, SEBI turnover fees, Securities Transaction Tax and other taxes as they exist from time to time and as they apply to the account and transactions of the Clients and for the services rendered to the Clients. Any revision in brokerage will be made only after giving 15 days' notice by way of communication through email and through website in writing and as per client consent. It shall however be ensured that the Brokerage shall not exceed maximum permissible under the applicable regulations.

D. Imposition of penalty/ delayed payment charges: -

- Clients will be liable to pay in/ delayed payment charges for non-making payment of their pay/ margin obligation on time as the exchange requirement/ scheduled at the rate up to 0.05% per day.
- Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with/ as a consequence of/ in relation to any of the orders/ traders/ deals/ actions of the clients, the same shall be borne by the client. The client agrees to pay to the stock broker brokerage, commission, fees, all taxes, duties, levies imposed by any authority including but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses as they apply from time to time to the client's account / transactions / services that the client avails from Market Pulse. Market Pulse also retains the right to charge postage, courier etc. expenses to clients for issuing duplicate copies of statements in regard to client's account. The penalty / delayed payment charges imposed by Market Pulse shall be debited to the account/ ledger of the clients. Any change / revision in the scale of penalty / delayed payment charges will be informed to the clients in writing through approved means or methods (and with client's consent) such as post /speed post / courier / registered post / registered A.D / facsimile / cable / e-mail / telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees / agents of Market Pulse; and by publishing / displaying it on the website of Market Pulse / making it available as a download from the website of Market Pulse; by displaying it on the notice board of the office through which the client trades or any other suitable or applicable mode or manner.

E. 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

The client is required to pay adequate margin payin obligations in full and the clients shall ascertain in advance the margin / pay-in obligations requirement for its order/ trades/ deals and to ensure that the required margin /payin obligations is made available to Market Pulse in such form and such manner as may be required by Market Pulse from time to time. If the client's order is executed despite a shortfall in the available margin, the client shall, whether or not Market Pulse intimates such shortfall to the client, make up for the shortfall suo-motto immediately.

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The client shall be responsible for all orders (including any orders that may be executed without the required margin in the clients account) and/or any claim/ loss/damage arising out of the non-availability/ shortage of margin / pay-in obligations required by Market Pulse and/or by Exchange. The client shall fulfill all its obligations / liabilities / dues to Market Pulse, failing which Market Pulse has the right not the obligation to square up all or any outstanding position and / or take offsetting positions and/ or sell the margin / securities available with Market Pulse without giving any notice to the client. Market Pulse may also square up all or any outstanding position and / or sell the securities/collateral available with Market Pulse as a part of risk management at any time by giving notice to the client. In case of purchase on behalf of client, the Market Pulse may close out its transactions by selling securities, in case the Client fails to make full payment to Market Pulse for the same before the time intimated by Market Pulse. In case of sale on behalf of client, the Market Pulse may close out its transaction by purchasing the securities. The client shall be liable for any losses, costs and be entitled to any surplus, which may result from the above.

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

Market Pulse has a margin based RMS system; clients may take exposure up to the amount of margin available with us and/or collaterals pledged with us. Clients may not be allowed to take position in case of non- availability / shortage of margin as per RMS policy of Market Pulse. The existing position of the client and/or shares pledged with us as collateral are also liable to be squared off / closed out without giving notice due to shortage of margin / non-making of payment for their pay in obligation / outstanding debts. Market Pulse will have the right to close out all open positions and/or sell client's securities and/ or shares pledged with us as collateral, as and when the client defaults in his settlement/sale delivery/margin/MTM obligations in any segment of the exchanges. The close out/ selling will be only to the extent of shortages in Margins, MTM or settlement obligations on all segments of exchange(s). In case the payment of the margin / security is made by the client through a bank instrument, Market Pulse 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 Market Pulse. Where the margin / security is made available by way of securities or any other approved collateral, Market Pulse is empowered to decline its acceptance as margin / security & / or to accept it at such reduced value as Market Pulse may deem fit by applying haircuts atleast at the rate prescribed by the exchange or by valuing it by marking it to market or by any other approved method as Market Pulse may deem fit in its absolute discretion. Usage of Collateral at discretion of broker Market Pulse retains the right to adjust at such rate as prescribed by the exchange or such higher rate as deemed fit the Collateral deposited by the Client against his / her / its settlement / margin obligation. The client shall ensure replenishment of Collateral on account of diminution of values of Collaterals on account of non-cash corporate action initiated by the concerned company whose securities are deposited by the client with Market Pulse as Collateral. In the event of diminution of values of Collaterals, Market Pulse has the right but not the obligation to square off / close outs the open position of the Client. Market Pulse will have sole discretion to decide the referred stipulated margin percentage depending upon the market condition. In the event of such a square off, the client agrees to bear all the losses based on actual executed prices. In case of open position (i.e. short / long) gets converted into delivery due to non

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'square off because of any reason whatsoever, the client agrees to provide securities / funds to fulfill the pay-in obligation failing which the client will have to face auction or internal close out; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any. Without prejudice to the foregoing, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s). Market Pulse is entitled to prescribe the date and time by which the margin / security is to be made available and Market Pulse may refuse to accept any payments in any form after such a deadline for margin / security expires. If the client fails to maintain or provide the required margin / fund / security or to meet the funds / margins / securities pay in obligations for the orders / trades /deals of the client within the prescribed time and form, Market Pulse shall have the right without any further notice or communication to the client to take any one or more of the following steps:

- a) To withhold any payout of funds / securities.
- b) To withhold / disable the trading / dealing facility to the client.
- c) To liquidate one or more security (ies) of the client by selling the same in such manner and at such rate which Market Pulse may deem fit in its absolute discretion. It is agreed and understood by the client that securities here includes securities which are pending delivery receipt.
- d) To liquidate / square off partially or fully the position of sale & / or purchase in any one or more securities / contracts in such manner and at such rate which Market Pulse may decide in its absolute discretion.
- e) To take any other steps (including liquidation of client collateral, in any form) which in the given circumstances, Market Pulse may deem fit. The client agrees that the loss(s) if any, on account of any one or more steps as enumerated herein above being taken by Market Pulse, shall be borne exclusively by the client alone.

G. Shortages in obligations arising out of internal netting of trades

Market Pulse shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by Market Pulse 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 obligations first. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under: The short delivering client is debited by an amount equivalent T day's closing rate on T+3. The securities delivered short are purchased from market on T+3 day which is the Auction Day on Exchange, 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. (Please note that the process for handling internal shortages may be changed by the broker at its discretion with prior notice of 15 days as per agreed mode of communication which may also be published on the website of Market Pulse).

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

- 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.

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However, client shares/ ledger balance settlement can take place. Market Pulse can withhold the payouts of clients and suspend his trading account due to surveillance action or judicial or / and regulatory order/action requiring client suspension.

- 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.

I. 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:

- If the action of the client is 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.
- If there is any commencement of a legal process against the client any law on force;
- On the death/ lunacy or other disability of the Client;
- If the client being a partnership firm, has any steps taken by the Client and/ or its partners for dissolution of the partnership;
- 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;
- 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;
- If the Client is in breach of any term, condition or covenant of this mandatory & voluntary documents;
- If the Client has made any material misrepresentation of facts, including (winding limitation) in relation to the security;
- 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;
- If the Client have taken or suffered to be taken any action of its reorganization, liquidation or dissolution;
- 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;
- If any covenant or warranty of the Client is incorrect or untrue in any material respect.

However, notwithstanding any termination of the agreement, all transactions made under/pursuant to this agreement shall be subject to all the terms and conditions of this agreement and parties to this agreement submit to exclusive jurisdiction of courts of law at the place of execution of this agreement by Stock Broker.

J. Policy regarding treatment of inactive accounts: -

Client account will be considered as inactive if the client does not trade for a period of one year. Calculation will be done at the beginning of every month and those clients who have not

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traded even a single time will be considered as inactive. Steps will be taken for transferring the shares/credit balance, if any, to such client within one week of identifying the client as inactive. An inactive account can be re-activated on receipt of a request for reactivation along with valid proof of identity or such other documents as prescribed by Market Pulse in terms of Inactive Account Policy.

K. Client Acceptance of Policies and Procedures stated herein above: -

The 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.