

**POLICIES AND PROCEDURES AS PER SEBI CIRCULAR NO.  
MIRSD/ SE /CIR-19/2009 DATED 3 DEC, 2009**

**POLICIES AND PROCEDURES:**

**1. Refusal of orders for penny stocks:**

Stock broker is advising to the clients not to deal in penny securities and if client deals with the penny stocks, 100% margin will be taken from the client and these shares will not be taken to as Margin deposit. The stock broker shall have authority from time to time limit (quantity/ value) or refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies) or 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 order being for securities which are not in the permitted list of the stock broker / exchange(s) / SEBI or does not commensurate with the risk profile of the client as assessed by the broker. Decision of Broker will be binding on the client and will be final.

**2. Setting Up Client's Exposure Limits:**

The client agrees to abide by the exposure limits, if any, set by the stock broker or by the Exchange or Clearing Corporation or SEBI from time to time. The client is aware and agrees that the stock broker may need to vary or reduce or impose new limits urgently on the basis of the stock broker's risk perception, risk profile of the client and other factors considered relevant by 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.).

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 order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. Sometimes client's sauda may go to IOC (Immediate or Cancel) instead of normal bidding if broker terminal is on square off mode.

The Stock Broker at its sole discretion can give extra exposure or intraday limit to the client, such extra exposure will automatically be squared off by trading mechanism without any further reference to the client appx. 15 minutes before the scheduled closing.

**3. Applicable Brokerage Rate:**

**a. For Cash Market Segment:** The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies and the same shall not be charged more than maximum brokerage permissible as per the rules, regulations and bylaws of stock exchange and/or rules & regulations of SEBI. It is hereby further clarified that where the sale / purchase value of a share is Rs.10/- or less, a maximum brokerage of 25 paise per share may be collected.

**b. For Option contracts:** Brokerage for option contracts would not exceed Rs.100/- per lot single side or such other rates as provided by the exchanges.

**4. Imposition of penalty/interest on delayed payment by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws)**

Client shall be liable to penalty on nonpayment of margin money, short selling of securities or units, failure on payment of auction, cheque bounce, non delivery of shares, increase open position or on any orders / trades / deals / actions of the client which are contrary to this mandatory and voluntary client registration document / rules / regulations / bye laws of the exchange or any other law for the time being in force as per Rules, Regulations, Guidelines and Circulars issued by SEBI and stock exchange time to time and client will be kept informed about the rate of such penalties & fines. Similarly in case of non receipt of full payment of value of delivery purchased, margin imposed (initial + MTM) interest will be charged upto 22% p.a. calculated on daily basis on shortfall amount till the date of actual realization of money.

All fines/penalties and charges levied upon the Client due to its acts / deeds or transactions will be recovered by the Stock Broker directly from the client's account.

**5. 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 (This shall be limited to the extent of settlement/margin obligation)**

1. If payment/securities towards the Margin or shortfall in Margin is not received instantaneously to enable restoration of sufficient Margin in the Client's account.

2. In case of benefit of margin will be given only after realization of instrument.

3. If the client gives orders / trades in the anticipation of the required securities being available subsequently for pay in through anticipated payout from the exchange or through borrowing or any off market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any reason before the close of market .
4. 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) 18 percentage reaches or crosses stipulated margin percentage mentioned on the website, whichever is earlier. similarly all transactions outstanding under limit by whatsoever name called may be closed out at specified time if not squared off by the client.
5. In case open position (Le. short/long) gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide securities/funds to fulfill the payin obligation failing which the client will have to face auctions or internal close outs; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any.
6. Any reference in these terms to sale or transfer of securities by the Stock Broker shall be deemed to include sale of the securities which form part of the Margin maintained by the Client with the Stock Broker.

**6. Shortages in obligations arising out of internal netting of trades**

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a. The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/ Payout Day. 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 + 5 % extra) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- b. If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T +3 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 Exchange Debits and Credits after deducting exchange penalties.
- c. In cases of securities having corporate actions all cases of short delivery of cum 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

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

The stock broker may refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by stock broker / exchange/ SEBI and any other reasons which the stock broker may deem appropriate in the circumstances.

1. for non-payment or erosion of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation / close out, if any, against the client's lawful liabilities/ lawful obligations.
2. Any order which is executed without the required Margin in the Client's account or the brokers exposure is more than 90% and above so no fresh trade will be taken.
3. The client hereby authorizes the Stock Broker to square up all his outstanding positions at the discretion of the Stock Broker, which are not marked for delivery 15 minutes before the closing time of the normal market or if the client's margin is evaporated by 90% in any of exchanges, stock broker reserves the right to square off positions.
4. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security due to any action on account of unusual trading activity or stock hitting circuit filters or for any other reason as prescribed or instructed by SEBI.
5. The stock broker is entitled to disable / freeze the account or trading facility / any other service if, in the opinion of the stock broker, the client has committed a crime, fraud or has acted in contradiction of this mandatory and voluntary client registration document or / evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock roker so apprehends.

Any profit/loss arising out of these transactions shall be at the risk of and borne by the client.

**8. Temporarily suspending or closing a client's account at the client's request**

Client may instruct the member to close out the account or suspend the trading through client's account for the

period as specified in the request in written and duly signed by him.

The stock broker can with hold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension.

**9. Deregistering a client**

A client is at liberty to deregister himself / itself from the member. For that purpose client will be liable first to settle his account in full. In case of any shortfall or any lawful dues or payment remaining after adjusting the margin account, the client will be liable to make payment of the same. And in case of surplus arising out after netting of account, client shall be entitled to receipt of the same.

The member shall also have power to deregister the client after settling his account at its sole discretion.

**10. Dormant accounts**

Any clients who has not traded over six month and have zero balance or insignificant debit or credit balance are treated as dormant accounts. The dealing officials are advised to re confirm the trade request made by such account holders. The clients who have not traded over two years are deleted from the server and if client desires to trade newKYC is obtained.

Any accounts where there is no trading activity over two years and having no significant balance such accounts are closed on annual closing of books of account and the balance amount on those account is transferred to Kasar account and such accounts are closed . A letter is obtained from the client to close the account. In case client has nottraded over six month such client places the order, re- confirmation is obtained by calling the clients.

**11. Client Acceptance of Policies and Procedures stated hereinabove**

I/We have fully understood the same and do hereby sign the same. These Policies and Procedures may be amended

/ changes can be done with client's consent as per applicable rules, regulations and bylaws of exchange / SEBI or changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read always be read along with the mandatory and voluntary client registration document 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.