

POLICIES AND PROCEDURES

1. REFUSAL OF ORDERS FOR PENNY STOCKS

The client is aware and agrees that the stock broker may refuse or restrict a client in placing the order in certain securities depending on various conditions like volume / value / part of illiquid scrips / Z group of securities, stocks appearing in the list of illiquid securities issued by the exchange from time to time, any securities as may be restricted for trading by exchanges, although a client may have credit balance or sufficient margin in the trading account. List of such scrips will be reviewed on a periodical basis.

However, stockbroker under exceptional circumstances may execute cliental order. The stock broker has the discretion to reject execution of such orders based on its risk perception.

2. SETTING UP CLIENT'S EXPOSURE LIMIT

As part of risk management, Stock Broker i.e. Sri Shirdi Capital Services Pvt Ltd., ("SSCAP") shall set client's exposure limits depending on the type of securities provided as Margin / available funds in the client's ledger plus Fixed Deposits / Bank Guarantees provided by the client and the client profile/ financial status. Exposure limits are also set based on categories of stocks / position (derivatives) client can trade. Securities that are acceptable as margin and their categorization may be changed by SSCAP from time to time at its sole discretion. Further client categorization may also be changed based on various factors including trading pattern of clients, profile / residential status / financial status of client.

SSCAP from time to time shall apply such haircuts as may be decided by SSCAP on the approved securities against which the Exposure limits are given to the client. SSCAP may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/Exchanges as part of its Risk Management System. Subject to the client's exposure limits, client may trade in securities and / or take positions in the futures and options segment. Client shall abide by the exposure limits, if any, set by SSCAP or by the Exchange or Clearing Corporation or SEBI from time to time. Limits/Exposure provided shall vary based on the intraday/ delivery / carry forward positions made by the client.

The exposure limits set by SSCAP does not by itself create any right for the Client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits. The client agrees to compensate SSCAP in the event of SSCAP suffering any loss, harm or injury on account of exposure given and/or withdrawn. In case of sale of Securities, such sale may at the discretion of SSCAP be provided only to the extent of the availability of securities in the account of the client (DP free Stock, DP lien/ hold marked securities, beneficiary and collateral stock).

Further the credit received against sale may be used for exposure as may be decided by SSCAP from time to time.

In case of derivatives, Clients shall be allowed to trade only up to the applicable client wise position limits set by the Exchanges/ Regulators from time to time. SSCAP may from time to time demand additional margin from the client in the form of funds or securities if there is a requirement for the same and the client shall be required to provide the same.

3. APPLICABLE BROKERAGE RATE

- a. The stock broker is eligible to charge brokerage with respect to transactions effected by it in various segment as mentioned herein below -
- For Capital Market Segment - The maximum brokerage in relation to trades affected 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. It is further clarified that where the sale / purchase price value of a share is Rs.10/- or less, a maximum brokerage of 25 paise per share may be charged.
 - For Option Contracts - Brokerage for options contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. The brokerage on option contracts shall not exceed 2.5% of the premium amount or Rs. 100 (per lot) whichever is higher.
 - Minimum Brokerage of Rs.25/- per contract will be charged.
- b. The stock broker may charge different Brokerage for Deliverable and Intraday transactions.
- c. The client is aware that any request for change in the brokerage rate has to send in writing to the Branch who in turn will forward the request to Head Office of the stockbroker. Acceptance / rejection of such request is at the discretion of stockbroker.
- d. Other Levies, charges, service tax etc. will be charged on Brokerage as per the Rules prescribed by the Government / Regulatory Agencies.

All the above charges and levies debited to clients would be mentioned in the Contract Note send to client.

4. IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES

- The client is required to pay all amounts due to the stock broker on its due date. The amount due to broker shall include all type of Margin and Pay-in obligation or on account of any other reason.
- In case the client does not pay the amount due on time, the stock broker shall charge delayed payment charges up to the rate of 2% per month on the daily outstanding value or at such rates as may be determined from time to time by the stock broker. In case of Capital Market and F&O Segment, interest will be charged from the time it become due till the time obligation is cleared by the client. The objective of charging such a charge is to force a client to clear their dues on a timely basis.
- The client agrees that the stock broker may impose fines/penalties for any orders / trades of the client which are contrary- to this agreement / rules / regulations of the Exchange. Further, under the instances where the stock broker has been penalized from any Authority on account of / as a consequence of orders /trades of the client, the same shall be borne by the client

5. RIGHT TO SELL CLIENTS SECURITIES OR CLOSE CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT ON ACCOUNT OF NON PAYMENT OF DUES. (LIMITED TO SETTLEMENT / MARGIN OBLIGATIONS)

As a part of its Risk Management System, SSCAP shall have the sole discretion to square off the open position of the Client and / or sell clients' securities (including securities maintained as margin with SSCAP and securities lying in client's beneficiary / demat account) in case the client fails to meet its settlement / margin obligations in time. The specific securities to be sold and the positions to be squared off shall be decided solely by SSCAP. Further, the square off of client's open position or the selling of securities may be executed on such Exchanges and at such price as may be decided by SSCAP. SSCAP shall have no obligation of communicating the same to the Client. SSCAP shall not be responsible for any losses incurred by the client due to such squaring off of the open position of the client. SSCAP reserves the right to square off client's open positions or sell client's securities under following circumstances:

- a. where the limits given to the Client have been breached;
- b. where the Client has defaulted on their existing obligation and/ or have failed to make payments/deliver securities to SSCAP within the stipulated time period as may be prescribed by SSCAP.
- c. In addition to above, in case of equity and currency derivatives transactions;
 - i. where the margin or security placed by the Client with SSCAP falls short of the applicable minimum margin as may be required to be maintained by the client;
 - ii. where Mark to Market Loss on the open position has reached the stipulated % of the margins placed with SSCAP and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss;
 - iii. if the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time.

SSCAP reserves the right to square off the open position of client and / or sell client's securities under the prescribed circumstances; however SSCAP is not obligated and does not guarantee to square off the open positions and / or sell client's securities. The client shall be solely responsible for the trading decisions taken by the client. It shall be the responsibility of the client to make payments towards outstanding obligations and / or applicable margins to SSCAP in time irrespective of whether SSCAP exercises its right to square off the positions of the client in accordance with the provisions given herein above.

Client shall be solely responsible for any resultant losses incurred to client due to selling of client's securities by SSCAP or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the CLIENT and SSCAP shall be fully indemnified and held harmless by the CLIENT in this behalf.

The CLIENT accepts to comply with SSCAP's requirement of payment of Margin/settlement obligations of the Client immediately, failing which SSCAP may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin/lying in the beneficiary account of SSCAP or square-off all or some of the outstanding F&O positions of the CLIENT as it deems fit at its sole discretion without further reference to the CLIENT and any resultant or associated losses that may occur due to such square -off/sale shall be borne by the CLIENT and SSCAP shall be fully indemnified and held harmless by the CLIENT in this behalf at all times.

6. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

In case the client defaults on its existing obligation and in the event the trade has been internally netted off by SSCAP, there could be internal shortages. The internal shortages are marked against the client randomly at the sole discretion of SSCAP taking into account the delivery obligations through Exchanges. In case of failure of delivery by the client marked for internal netting of trade, the same shall be met through fresh market purchases and the loss on account of the said purchases will be charged to the defaulting client's account. However, defaulting client will not be eligible for any profit of account of this.

SSCAP shall not be responsible for losses to the Client on account of such shortages. All losses to the client on this account shall be borne solely by the client and the Client shall indemnify SSCAP in this respect.

7. CONDITIONS UNDER WHICH CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITIONS OR BROKER MAY CLOSE EXISTING POSITIONS OF CLIENT

In addition to the conditions as provided under the policy of right to sell securities and close out clients open position as detailed in point 5 above, SSCAP shall have the right to refuse to execute trades/allow the client to take further positions and / or close out the existing positions of client under following circumstances:

- a. As a result of any Regulatory directive / restriction,
- b. Non-receipt of funds / securities and / or bouncing of cheque received from the client towards the obligations/ margin/ ledger balances,
- c. Due to technical reasons,
- d. securities breaching the limits specified by the Exchanges/regulators from time to time,
- e. in case of failure to meet margin including mark to market margins by the client,
- f. In case securities to be transacted by client are not in dematerialized form,
- g. Any other conditions as may be specified by SSCAP from time to time in view of market conditions, regulatory requirements, internal policies etc and risk management system,
- h. Due to any force majeure event beyond the control of SSCAP, SSCAP shall not be responsible for any loss incurred and the client shall indemnify SSCAP in this regard.

8. TEMPORARILY SUSPENDING OR CLOSING OF CLIENTS ACCOUNT AT THE CLIENTS REQUEST

SSCAP may suspend or close the trading account of the client pursuant to SEBI or any other Regulatory directive for such period as may be prescribed by the respective Regulator. SSCAP may further at its sole discretion and with/ without information to the client, prohibit or restrict or block the Client's access to the use of the web site or related services and the Client's ability to trade due to market conditions and other internal policies including policy with respect to prevention of money laundering.

Client can initiate temporary suspension / closure of its account at any time by giving a request to SSCAP in writing 15 days in advance. However, such suspension / closure will be affected subject to clearance of all dues and settlement obligations by the client. Trades in the account of the client during the period of such temporary suspension shall not be permitted.

Notwithstanding any such suspension / closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure / suspension shall continue to subsist and binding on the client.

In case the account has been temporarily suspended at the request of the client, the account shall be reactivated only on submission of a written request for reactivation by the client.

9. DEREGISTRATION OF A CLIENT

Deregistration of the client/Termination shall be at the sole discretion of SSCAP. SSCAP may deregister the client if the client breaches the terms and conditions of the member-client agreement or provides any false information or declarations. Further SSCAP may deregister the client if the client is suspected to be involved in any activities in violation of applicable Rules and Regulations. Further the client may be deregistered due to any Regulatory directive, market conditions and other internal policies of SSCAP including policy with respect to prevention of money laundering. Such deregistration / termination shall not affect the rights and liabilities of the parties in respect of the transactions executed before the date of such deregistration / termination.

I/We hereby agree that I/We have read and understood all the above policies and procedures of SSCAP as applicable to my trading account. I/We understand that the above policies and procedures are subject to change / update by SSCAP from time to time. The updated policies and procedures of SSCAP shall be posted on the website of SSCAP www.srishirdicapital.com I/We undertake to refer to the updated policies and procedures and abide by the same.

