

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, stock broker under exceptional circumstances may execute client's 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The exposure limits set by SSCAP does not by itself create any right for the Client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits.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 upto the applicable clientwise 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 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. 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 stock broker. Acceptance / rejection of such request is at the discretion of stock broker.
- d) Other Levies, charges, service tax e.t.c. 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 3% 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 it's 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 effected 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 effect the rights and liabilities of the parties in respect of the transactions executed before the date of such deregistration/termination.

10. TREATMENT OF INACTIVE ACCOUNTS

A 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 traded even a single time will be considered as inactive. The shares / credit ledger balance if any exists, will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their respective account.

11. GENERAL LIEN

All monies, securities and / or other property in the Bank/DP Account or that may be held by the Stock Broker on the client's account shall be held at the sole risk and cost of the client and subject to a lien for the discharge of any and all indebtedness or any other obligation that the Client may have to Stock Broker, irrespective of whether such obligation of the client is disputed by the client. All of the Client's securities and / or other property shall be held by Stock Broker as security for the payment of any such obligation or indebtedness to Stock Broker.

In enforcing its lien, Stock Broker at its sole discretion may determine which securities and/ or other property are to be sold or which contracts are to be enforced.

12. PAYMENT

12.1 Time of Payment

12.1.1 The Client shall make all remittances to Stock Broker (i.e. payment for all purchase transactions plus taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker) by the value date for each transaction. The value date for all purchases will be the pay-in day less two days, where the pay-in day is specified by the Exchange Clearing House for the relevant settlement period.

12.1.2 The Client will also have to make a margin payment for shares purchased and sold either for square-off or delivery or on derivative contracts. The amount will be as charged by the relevant Exchange. However, in case the Exchange charges a margin amount over and above the normal margins, Stock Broker can make a margin call to the Client who will need to have to pay the relevant margin as charged by the Exchange.

12.1.3 Stock Broker shall remit funds to the Client (i.e. payment for all sale transactions less taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker), less any amounts deducted for shortages by the value date. The value date for all sales will be pay-out day plus two days where the pay-out day is specified by the Exchange Clearing House for the relevant settlement period.

12.1.4 In the event of the Client having made both sales and purchases during a Settlement Cycle on the same Stock Exchange, the amount due from and to the Client shall be netted off and only the difference shall be payable by or to the Client. In case of short delivery, a notional debit is made to the client account and will be reversed on the actual settlement of transaction by auction proceedings of the respective exchanges.

12.2 Mode of Payment

No cash payment will be received from/made to the client as per the extract SEBI/ Exchange/Income Tax/ PMLA Regulation, Guidelines, Circulars, etc. Accordingly SSCAP will not be responsible for any claim of receipt/payment in cash by client from/to SSCAP. In the case of a purchase transaction, the Client shall remit funds within the time period provided in sub clause 12.1.1 above to Stock Broker in any of the following ways:

12.2.1 Acceptable credit or debit card, provided Stock Broker has agreed to receipt of payment in this manner, or

12.2.2 Authorized electronic transfer of funds from Client's Bank Account to Stock Broker's bank account in the same Designated Bank; or

12.2.3 Demand draft in favour of "Sri Shirdi Capital Services Pvt. Ltd.", or account payee crossed cheques drawn on designated bank or any other bank with which the Client maintains a regular account, proof of which is provided at the time of payment. In the case of sub-clauses (1) and (2) credit will be given to the Client immediately on authentication of payment authorization, however Client has to intimate Stock Broker immediately after making payment through option as mentioned in sub clauses (1) and (2). In the case of (3) credit will be given only on receipt of clear funds.

12.2.4 Payment referred to in sub-clauses (1), (2) & (3) shall be accepted only from Client's account.

12.2.5 Payment shall be made by the Client only as referred to in sub-clauses (1), (2) & (3) above. Stock Broker shall not accept/ acknowledge/give credit for any payment made in cash.

12.2.6 The client agrees to pay Rs.250/- to Stockbroker in case if the cheque deposited by client is bounced/ uncleared/ rejected due to any reason. The same shall be deducted from the client's ledger account held with the Stockbroker.

- 12.3 In the case of a sale transaction, Stock Broker shall remit funds to the Client within the time period provided in sub clause 12.1.3 above, provided the Client has delivered the securities sold to Stock Broker within the time prescribed in clause 12.1.1, in any of the following ways as may be requested by the Client:
- 12.3.1 Electronic transfer of funds into the Bank Account of the Client opened with the Designated Bank.
- 12.3.2 Electronic transfer of funds into any other bank account of the Client as may be specified by the Client, and accepted by Stock Broker; or
- 12.3.3 Account payee cheque.
- 12.3.4 All payments shall be made only in the name of the client.
- 12.4 Please note that the mode of payment should be only by way of account payee crossed cheques or Demand draft in favour of "Sri Shirdi Capital Services Pvt. Ltd.". No cash receipts payments will be entertained for any transactions made by the client. SSCAP will not be responsible for any kind of claims raised by the clients regarding payment made in cash. Mobile number is compulsory for opening of Demat/Trading account with SSCAP.
- 12.5 Interface with a payment gateway will be offered to the Client at the portal itself.
- 12.6 DEFAULT IN PAYMENT: The Client agrees that Stock Broker may set off his/ her credit balances on NSE and BSE, hereinafter referred to as the "Exchanges" against the debit balances in one or more accounts of the Client in relation to the said Exchanges and segments of the Exchanges. .

Without prejudice to the Stock Broker's other rights (including the right to refer a matter to arbitration), Stock Broker shall be entitled to liquidate/close out all or any of the Client's positions in cash segment or derivative segment on any Exchange for nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such Liquidation/ close out, if any, against the Client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/ closing-out shall be charged to and borne by the Client.

On a default by the Client to remit any monies payable to Stock Broker, Stock Broker shall be entitled to appropriate the monies maintained by the Client in the Minimum Margin Deposit towards its dues. The Minimum Margin Deposit with Stock Broker shall be subject to a lien for the discharge of any and all indebtedness or any other obligation that the Client may have to Stock Broker. The E-Broking Services shall be suspended to the Client until such time as the Client replenishes funds adequate to maintain the Minimum Margin Deposit at the stipulated level.

Not with standing anything contained in these present, any amounts which are overdue from the Client towards trading either in the cash or derivative segments or on account of any other reason the Client will be charged delayed payment charges upto the rate of 3% per month or such other rate as may be determined by the Stock Broker.

The Client hereby authorises the Stock Broker to directly debit the same to the account of the Client.

- 12.7 In the event the client makes the specific request to the stockbroker for the physical documents instead of electronic / digitally signed documents including contract notes/ statement of accounts, etc and subject to the stockbroker being in a position to do so; the client agrees to pay all such amounts that the stockbroker may charge to cover the operational cost that the stockbroker incurs in preparing and delivering the said communications, documents, reports and alerts.
- 12.8 The Client hereby agrees and understands that in case of any noncompliance and/ or default by the Client such as cheque bouncing, trade change, F&O short margin, UCC violation, price rigging or for any other matters as may be decided by Stock broker from time to time, without prejudice to the Stock Broker's other rights, Stock Broker may levy charges / penalty (ies) on the Client and debit such charges/penalty in the Client's account.
- 12.9 The Client authorizes the Stock Broker to use his discretion to buy, sell or close out any part or all of the contracts held in the Clients account with the Stock Broker for the protection of the Stock Broker, in case of any default by the Client. The Client agrees to reimburse any or all such incidental expenses incurred by the Stock Broker.

All the above policies and procedures of SSCAP as applicable to the client's trading account 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 and communicated to client through Circulars and e-mails.