**Policies and Procedures**

1. **Setting up client’s exposure limits :**

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 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’s risk perception 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.), and the stock broker may be unable to inform the client of 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. 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 securities through the stock broker, or it may subject any order placed by the client to a review before its entry into the trading system any may refuse to execute/allow execution of orders due to the limits set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. The 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.

We have updated RMS system which generates alerts on over lapping the market level limits in security specific / volume specific exposures. Total deposits of the client are uploaded in the system and client may take exposure on the basis of financial position and obligation in the market 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.

**b) Policy for Penny Stock :**

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. Depend on the market condition and RMS policy of the company RMS reserve 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.

**c)**  **Applicable Brokerage Rates :**

The stock broker is entitled to charge brokerage within the limits imposed by exchange which at present is as under :

1. **For Cash Market Segment & Currency Derivatives 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. 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.

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**d) Imposition of penalty / delayed payment changes :**

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their pay in/margin obligation on time as per the exchange requirement/schedule at the rate of 15% per annum. Similarly the stock broker will also be liable to pay delayed payment charges to the client for not making payment of their obligation on time, as per the exchange requirement/schedule at the rate of 15% p.a. expect in the cases covered by the “Running Account Authorization” given by the client to the stock broker.

The client agrees that the stock broker may impose fines/penalties for any orders/trades/deals/actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. 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 / trades / deals / actions of the client, the same shall be borne by the client.

Delayed payment charges are only a penal measure. The client should not construe it as funding arrangement. The client cannot demand continuation of service on a permanent basis citing levy of delayed payment charges.

**e) The right to sell client’s securities or close client’s positions, without giving notice to the client, on account of non-payment of client’s dues :**

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 clients position without giving notice to the client for nonpayment of other amounts including the pay in obligation, outstanding debts etc and adjust the proceeds of such liquidation / close out, if any, against the clients liabilities / obligations.

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 account of such liquidations / closing out shall be charged to & born by the client. In cases of securities lying in client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other 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 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.

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 Market to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide 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).

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**f) Shortages in obligations arising out of internal netting of trades :**

Merfin Shares & Stock Broking Pvt. Ltd. has implemented the following policy for setting transaction, which remains unsettled due to Internal Shortages :

Internal Shortages means one client has failed to give the delivery of the securities sold by him, which has resulted into short delivery to other client(s) of Merfin Shares & Stock Broking Pvt. Ltd.

The transactions, which remain unsettled due to the Internal Shortage of securities, shall be closed out as follows :

Accordingly, if a client fails to give the delivery of the securities sold by you which if resulted into Internal Shortage, you will be debited for the transaction at the rates prescribed above. Similarly if Merfin Shares & Stock Broking Pvt. Ltd. is unable to give the delivery of the securities bought by you due to the Internal Shortage, you will receive the credit for the transaction at the rates prescribed above.

Any change in the policy will be intimated to you either through letter or e-mail or any other mode of communication including, but without intimation, through our website.

I/We have taken note of the above policy for setting transactions, which has remained unsettled due to Internal Shortages.

1. **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 same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares / ledger balance settlement can take place.

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 client has to again complete the KYC requirement

1. **Deregistering a client:**

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

1) If the action of the client are 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 under any law in force;

1. On the death/lunacy or other disability of the Client;
2. If the client being a partnership firm, has any step taken by the Client and/or its partners for dissolution of the partnership;
3. If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock Broker;
4. 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;

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1. If the Client is in breach of any term, condition or covenant of this Agreement;
2. If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
3. 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;
4. If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
5. If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy of 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 law providing protection as a relief undertaking;
6. If any convenant or warranty of the Client is incorrect or untrue in any material respect;

**Inactive Client account :** Client account will be considered as inactive if the client does not trade for period of Six Months. 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 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 account.

Trading in Exchange is in Electronic Mode, based on VSAT, leased line, ISDN, Modern and VPN, combination of technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading half or any break down in our back office/front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. I/We shall be fully liable and responsible for any such problem/fault.

**Client Acceptance of Policies and Procedures stated herein above:**

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means and 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 along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and stock broker before any court of law/judical/adjudicating authority including arbitrator/mediator etc.

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