

## POLICIES & POCEDURES (MANDATORY)

### A) Refusal of Orders for penny stocks :

Penny stocks are thinly traded shares of small companies which are traded infrequently and having very low volume. It may be difficult to buy/sell Penny stocks. Penny stocks include the shares which form part of list of illiquid securities, given by stock exchanges from time to time.

For Dealing in penny stock following procedures is being followed:

1. Authorization of the Senior Officer is to be taken if any client wants to invest in penny stocks.
2. The valid reason of the client to trade in penny stock is taken.
3. The financial position, background of the client is reviewed.

The order of a client shall be refused by the Member when it appears that

1. If the dealing amounts to manipulation of the price of the security.
2. If the dealing creates false or misleading appearance of trading in the securities market.
3. If the dealing in the security is not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of the penny stock for wrongful gain or avoidance of loss.

### B) Setting Up Of Clients Exposure Limit:

MSBPPL will normally give exposure at a predetermined multiple for the net credit balance lying in the client's ledger (across all segment) or on the unencumbered securities. Exposure on securities is given after appropriate haircut as per exchange. The amount of exposure may vary from client to client based on financial soundness (such as low, medium or high net worth) and turnover position of the client.

### C) Applicable Brokerage Rate:

The rate of brokerage varies from clients to clients. For those clients having frequency in transaction, generally the brokerage is on the lower panel rather than for those who trade infrequently. The applicable brokerage is fixed with the mutual consent of the client, which is subject to further modification only after due consultation with the client as in Tariff Sheet.

### D) Imposition of penalty/delayed payment charges :

Any amount which is overdue from the client towards trading either in the cash or derivative segments is charged with 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 :

- a) Even after regular reminders, if client fails to make the payment of the margin money or pay-in amount, then we would square off his/her/their position and before taking such action in this direction, we telephonically/ vide e.mail explain all the details to the client about our proposed action in this regard.
- b) Principally, company follows the practice of giving reasonable opportunity of being heard and gives a verbal show cause notice to such clients. Thereafter, if company finds after giving reasonable time that the client has failed to pay the money due from hime, we square off their position. However, in exceptional cases, like in case of those clients with whom company has a long term bonding and there is reassurance from the concerned client that they will make the payment in due course of time, in such circumstances, company may consider allowing them to continue with their positions. Further, this shall be limited to the extent of settlement / margin obligations.

### F) Shortages in obligations arising out of internal netting of trades :

If there are shortages due to internal netting of client positions, the position of both the clients would be squared off by taking exchange auction price for that particular securities for that particular settlement, and if the same was not available, then the previous day closing price may be considered for the same.

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

A client is not allowed to take further position or the existing position of a client is closed on the following conditions:

1. If the ledger of a client shows continuous debit balances.
2. If the margin deposited by the client is not according to the exposure of the client.
3. If the dues are not settled by the client.
4. If the exchange is not allowing any further position in that scrip.
5. If broker's limit of taking exposure in that particular scrip comes to an end.

**H) Temporarily suspending or closing a client's account at the client's request :**

The account of the client shall be suspended/ closed on receipt of written request from the client specifying the reasons to close the account. If the reasons given are justified then the account of that client is suspended after effecting the settlement of the account. For accounts suspended on client's request, the same can be reactivated only after receiving a written request from the client.

**I) Inactive Accounts**

Clients who have not traded for 6 months would be considered as "Inactive" and their account will remain deactivated till the reactivation letter is submitted by the client with the copy of bank statements for the last 6 months for activation of Derivative/ F&O segment.

At the time of deactivation of Inactive accounts any credit balance will be cleared and securities held in margin account will be transferred to the client's demat account.

**J) Deregistration of a client :**

A client shall be deregistered upon fulfillment of the following conditions :

- a) On receipt of the specific request from the client to deregister himself and to close his accounts.
- b) On account of breach of terms and conditions of the agreement by the client.
- c) On account of any action taken by SEBI/ Stock Exchange/ any other authority against the constituents or its partners/ promoters/directors/ authorized persons or that they are debarred from accessing the securities market.

On the happening of the above, the account of a client is deregistered after effecting full and final settlement of the accounts and securities of the client.

**Client Acceptance of Policies and Procedures stated hereinabove:**

I / We hereby 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 in this document under any circumstances whatsoever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us through any one or more means / methods. I / We agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reason whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsory referred to while deciding any dispute / difference or claim between me / us and MSBPL before any court of law / judicial / adjusting authority including arbitrator / mediator, etc.

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Client's Signature (with rubber stamp)

(If Partner, Corporate, or other Signatory, then attest with company seal.)

Date :