

# Mandatory Documents Regarding Policies and Procedures

To run the business in a smooth manner NDA Securities Ltd. (hereinafter called the trading member) has formed some policies and procedures in some selected area and the prospective client is hereby required to agree with the same before entering into a member client agreement. The policies are as follows:

**a) Refusal of orders for penny stocks .:**

All illiquid Securities and trade to trade securities defined in the exchanges circulars will be considered as Penny Stocks and all those Shares and stocks which trades at a low price and low market capitalization and normally considered to be high risky and Speculative , will also be term as penny stock. Acceptance for execution of order in case of penny stocks will be taken only against 100% margin deposit in advance in form of credit balance available in client account, with the trading member. Depending upon the market condition and risk management policy of the company the trading member reserve the right to cancel/refuse the order or acceptance of such order and the trading member also reserve the right to refuse to provide the limits in penny stock. Such order will be placed in the system after checking of the margin available with the trading member and status of illiquid securities. Any loss on account of such refusal and cancellation of order shall be borne by the client only.

**b) Setting up of clients exposure limits.:**

Client's exposure limit will be set according to the margin prescribed by the exchange from time to time basic and deposits available with the trading member in form of credit balance in ledger and valuation of Securities available with the trading member after hair cut. The Trading Member may from time to time vary limits on the orders that the client can place through the Trading Member(including exposure limits, turnover limits, Purchase limits , Sales Limit, Mark to Mark & margin Limit for kind of securities. The client is aware and agrees that the Trading Member may need to vary or reduce the limits or impose new limits urgently on the basis of the its risk perception and other factors considered relevant by it, and the Trading Member may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the Trading Member shall not be responsible for such variation, reduction.

The client further agrees that the Trading member may at any time, without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the Trading member, or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute/allow execution of orders due to any reason but not limited to the reason of Shortage of margin or securities and any other reasons which the Trading Member 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.

**c) Applicable Brokerage Rate:**

The Trading member will charge brokerage as per following schedule for his services to clients.

- a. **Brokerage** will be charged with in the time prescribed by SEBI/ Exchange and it will be as a % of market rate per share or minimum per share/ Minimum per lot / Minimum per Settlement which ever is higher
- b. **Securities Transaction Tax** : as per the guidelines and Percentage prescribed by the Income Tax Act from time to time.
- c. **Stamp Duty**: As per the guidelines and Percentage prescribed by the state govt, from time to time.
- d. **Transaction Charges to exchange with service tax** :as per the guidelines and percentage prescribed by the Exchange from time to time.
- e. **SEBI Fees**: as per the guidelines and Percentage Prescribed by the SEBI from time to time.
- f. **Internet Trading Charges**: as prescribed by the broker from time to time if client opted for the internet trading.
- g. Any Other Charges: as Prescribed by any govt, authority or exchange or SEBI from Time to time.

In case of amendment of the brokerage table the trading member or the client will issue a 7 days notice through physical / electronic and the same will be applicable if agreed by both the parties to the agreement.

**d) Imposition of penalty/delay payment charges :**

The Clients will be liable to pay late pay in or delay pay in charges for non payment of their pay in on time as per exchange requirements. .The trading member can debit delay payment charges with service tax , in case the pay-in of funds will not received well in time i.e. on or before pay-in of funds for the settlements . These charges will not exceed 24% p.a. calculated on daily basis , and in case of credit balance lying idle in client ledger account as per running account authorization no delay payment charges will be credit in client account. These charge will be applicable to in all market segments e.g. (NSE+BSE) separately / Combined and FO . The decision of Trading member with respect to debit delay payment charges in selected clients accounts is final.

**e) Right to Sell Client Securities or to close client's positions, without giving notice to the client, on account of non-payment of client's dues:**

The client shall ensure timely availability of funds/securities in form and manner at requisite time for meeting pay in obligation of funds and securities. Along with the right to debit delay payment charges and any other right the Trading member shall have right to sell the securities or close client's position without giving notice to the client, on account of non-payment of margin or other amount including pay in and outstanding debts after the settlement of pay in for a settlement and adjust the proceed of such sale proceeds / close out against the clients obligation. The right to sell the client's securities and to close client's position shall be limited to the extent of settlement/margin obligations. During such selling of securities and closing out of position by the trading member, will not be liable to make good the loss /financial charges if any occurs to the client.

The Trading Member has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions /securities/shares when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, which ever is earlier. The Trading Member 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).

**f) Shortage in obligation arising out of internal netting of shares.:**

Securities delivered short due to internal netting of shares are purchased from the market on T+2 Day in the account of Buyer UCC and the purchase consideration inclusive of brokerage and taxes will be debited to the short delivering client with a corresponding credit to the clients who was entitled to receive these securities.

In case the securities can not be purchased from the market due to any force major condition e.g. circuit on T+2 Day then the short delivering client will be debited by an amount equivalent to the price happened in auction trading including all other charges with a corresponding credit to the clients who was entitled to receive these securities.

In case no auction trade takes place on the day then the short delivering client will be debited by an amount equivalent to the 20% or 10%(as per circuit filter of the security) above of the closing rate of T+2/ auction day (whichever is higher) including all other charges and with a corresponding credit to the clients who was entitled to receive these securities.

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

The Trading member has a margin based Risk management system and the client may take position up to the availability of amount of margh with trading member. Client may not be allowed to take postion in case of non availability/shortage of margin. The existing position of the client can be close out without giving notice in case of shortage of margin/ non making of payment for their pay in obligation/ outstanding debts.

The Trading Member may not allowed to client to take position in case clear upfront applicable margin is not available/received with/by the trading member well in time or there is a shortage in exiting margin as compare to the existing position and the trading member may close the exiting position of a client in case mark to market is not received or available with the trading member or there is shortage of margin and the client is not fulfilling the same.

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

Client willing to suspend /close his/her/its trading account will give a written request in prescribed format to the trading member and the member will do the same well in time .during the period of suspension, the market

transaction in the client trading account will be prohibited. The closing of client account will be done only in case of client account is settled and if clients wants to reopen the old account then he/she/it its will have to complete the requirements of 'Know your clients' again.

**i) Deregistering a client:**

The Trading may deregister a client if the trading member is not comfortable with the client due to its risk management policies or its due diligence does not allow it or otherwise. The Trading member may deregister a client in following situation

- (i) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Trading Member;
- (ii) 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,
- (iii) If the Client is in breach of any term, condition or covenant of this Agreement, (vi) If the Client has made any material misrepresentation of facts, information, (vi) On the death/lunacy/bankruptcy or other disability of the Client,
- (vi) If there is any initiation of a legal proceedings against the client under any law by any authority in force,
- (vii) If any covenant of the Client is incorrect or untrue in any material respect.
- (viii) If the client would not receive any communication sent by the trading member or would not provide the documents as desired by the trading member.

**j) Inactive Account:**

The client who have been not traded for last more than 180 days has to be marked as "Inactive Account". There are checks in the systems for the inactive accounts. The Funds and/or Securities lying in these Inactive Clients' Accounts, will be transferred to their respective Accounts after taking consent from the Client. To activate the said inactive accounts one needs to provide the request letter for the activation of the code. After due verification, the accounts will be activated.

**Client Acknowledgement:**

I 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 of this document in any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the same is informed to me/us . I/we agree never to challenge he 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 trading member before any court of law / judicial / adjudicating authority including arbitrator etc.

SHIH<sup>MS</sup>

(Signature of Client)