

a. Refusal of orders for penny stocks :

Although, the term 'Penny Stock' has not been defined by BSE / NSE / MSEI or any Stock Exchanges or SEBI, a penny stock generally refers to a stock which has following characteristics:

- Has small market capitalization;
- Trades at a price less than its face value;
- Has unsound fundamentals;
- Is illiquid (A list of illiquid securities is jointly released by NSE & BSE/MSEI from time to time.);
- Any other stock that the Company might intend to restrict the dealings in.

Rajchandra Capital Services Pvt. Ltd. (hereinafter called "the Stock Broker") recognizes that it is client's privilege to choose shares in which he / she would like to trade. However, the Stock Broker likes to have special attention to dealing in 'Penny Stocks'. To this end,

- The Stock Broker may refuse to execute any client's orders in penny stocks without assigning any reason for the same.
- Any large order for purchase or sale of a 'Penny Stocks' should be referred to Head - Dealing.
- Clients must ensure that trading in "Penny stock" doesn't result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in "Penny Stock" doesn't operate as a device to inflate or depress or cause fluctuations in the price of such stock.
- Clients are expected not to place orders in penny stocks at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of the Stock Broker.
- In case of sale of penny stocks, client should ensure delivery of shares to the Stock Broker before the pay-in date.

b. 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 insecurity specific /volume specific exposures, etc) and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for 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 put any order placed by the client subject to a review before its entry into the trading systems. It also may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by the 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.

c. Applicable brokerage rate

- Brokerage shall be levied as per the rate agreed upon in the Client registration form or such further modification that may have been agreed upon between the client and the Company. Any increase in brokerage to client will be communicated to the client and shall be affected only after obtaining the consent of the client in writing.
- The maximum brokerage chargeable will not exceed as prescribed by SEBI and exchanges.

d. Imposition of penalty / Delayed payment charges

- Penalty and other charges levied by Exchanges pertaining to trading of the client shall be recovered from the respective client.
- If there is delay on the part of client in satisfying his/her margin obligation or settlement obligations, then, the Stock Broker may levy interest at the rate of 2% p.m. or part thereof on such shortage amount.
- No interest or charges will be paid by the Stock Broker to any client in respect of retention of funds or securities towards meeting future settlement obligation and in respect of running account authorizations.

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 to the extent of settlement / margin obligation.

- 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, in case the client fails to make payment of margins or other amounts including the pay in obligation, lawful outstanding debts and adjust the proceeds of such liquidation/close out, if any, against the clients lawful liabilities / obligations.
- The client shall ensure timely availability of funds / securities in the form and manner, as prescribed in this regard, at designated time and in designated bank and depository account(s) of the Company, for meeting his/her/its pay in obligation of funds and securities. All losses and financial charges on account of such liquidations/closing out shall be borne by the client.
- Where the margin is made available in the form of securities or any other asset, the stock broker shall empowered to decline its acceptance or may accept it at such reduce value as the stock broker may deem fit by applying haircuts atleast at the rate prescribed by exchange or by valuing it by marking it to market or by any other approved method as the stock broker may deem fit in its absolute discretion.

The stock broker has the right but is not under 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 while Mark to Market (M-T-M) percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market conditions. 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). The failure of the stock broker to close out the position or sell / liquidate the collaterals shall not render it ineligible to take other actions including arbitration and other legal options against the clients who have failed to make payments to the stock broker.

f. Close out incase of Internal Shortage:

- If client has short delivered any securities against his/her/its pay in obligation which resulted into internal shortage i.e. adjusted against buy position of another client of the stock broker and couldn't be auctioned in the market, then close out price will be 10% above the closing price on the Auction Day or closing price of trading day of the settlement whichever is higher. The stock broker may revise such other percentage from time to time provided the same is inform to the client and consent is obtained. In case of the Purchaser he/she/it will receive a credit of the amount calculated as per the above formula.

g. Conditions under which client may not be allowed to take further Position or the broker may close the existing position of the client

The Stock Broker shall have absolute discretion and authority to restrict or limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following conditions:

- Extreme volatility in a market, segment, scrip or contract.
- If there is shortfall in the margin deposited by client with the Stock Broker.
- If there is any trading restrictions on the client by any regulator.

- If there are any unforeseen adverse market conditions or any natural calamities affecting the operations of market.
- If there are any restrictions imposed by Exchange or Regulator on the volume of the trading outstanding positions of contracts.
- If the client is undertaking any illegal trading practice or the client is suspected to be indulging in money laundering activities.
- If the Stock Broker is nearing or has reached the exposure, turnover or other limit.
- If the client is nearing or has breached the client wise limit.
- If the client has taken or intends to take new position in a security that is in the ban period.
- If market closes due to extreme movement.
- Such other reason that the stock broker may feel appropriate from time to time.

h. 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 of such suspension, the client shall be prohibited from executing any transaction through the stock broker. However, client shares/ledger balance settlement can take place.
- The client account shall also be suspended if it remains dormant for a period of 6 months or such other period as may be decided by the stock broker from time to time.
- 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.
- The stock broker may, if so desired, offer the facility of suspension, reactivation or closure through the designated email id of the client or through secured login instead of a written request.

i. Deregistering a Client

- The Stock Broker may, at its absolute discretion, decide to deregister a particular client. The illustrative circumstances, under which The Stock Broker may deregister client, are given below:
- SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market or has levied any penalty on the client.
- If a client is charged for or convicted for violation of any law, rule, regulation, guideline by any Exchange, Depository, Self Regulated Organization, Regulator, Judicial body or Quasi Judicial body.
- Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering. Such client's name appears in the UN list of prohibiting entities or SEBI debarred list.
- Such client's account has been lying dormant for a long time or client is not traceable. Such client has declared insolvent or any legal proceedings to declare him/her as such have been intended.
- Such client has been irregular in fulfilling obligations towards margin or settlement dues.
- Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of the Stock Broker or may act as detriment to the Stock Broker prospects.
- If the actions of the client are such that create grounds for suspicion or are prima facie illegal or improper or may appear to disturb the normal functioning of the market or appear to be manipulative or deceptive in nature, either alone or in conjunction with others.
- On the death/lunacy or other disability of the Client; if there is a reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts to the stock broker or any other person.
- If the Client is in breach of any term, condition or covenant of the mandatory and voluntary client registration document.

- If the Client has made any material misrepresentation of facts, including (without limitation) in relation to Security.

Treatment of inactive accounts:

Client account will be considered as inactive if the client does not trade for a period of 12 month. The working shall be done on day to day basis and those clients who have not executed any transaction in the preceding 12 months shall be treated as inactive. The Client has to make written request for reactivation of his/her/its account.

The stock broker may, if so desired, offer the facility of request for reactivation through the designated email id of the client or through secured login instead of a written request. Payout of funds and securities during the period of inactivation will be done as per the applicable

circulars, laws, rules & regulation of SEBI/Exchange.

Client Acceptance of Policies and Procedures stated here in above:

I/We have fully understand the same and do hereby sign the same. These Policies and Procedures may be amended / changed unilaterally by the broker; provided the change is informed to me / us in writing with through any one or more means or approved methods. These Policies and Procedures shall always be read along with the mandatory and voluntary client registration document and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator / mediator etc. In case of any objection to any of the clauses, the same will be informed to you in writing within a period of 15 days of receipt of the changes.

POLICY ON HANDLING OF CLIENT'S SECURITIES

In case if the payin of funds is not received and credited to the Rajchandra Capital Services Pvt Ltd client bank account, Rajchandra Capital Services Pvt Ltd shall hold the securities with them till 5thday from receipt of payout of securities from the Exchange.

Rajchandra Capital Services Pvt Ltd shall transfer the securities received in payout partially or fully to the client's BO account according to the client's outstanding amount getting realized partially or in full only by way of receipt of clear funds, but considering the future obligations of unsettled transactions and margin payable on the same.

Based on client instructions, securities (after applying hair cut) available in excess of the client's outstanding trade related obligations may be transferred to client BO account as a part of the retention for actual settlement of funds and collateral.

Excess collateral held in "Client Collateral" account will be released to the clients once in every 30/90 days as opted by clients through the Running Account Authorization letter provided in the client registration document and in accordance with the retention norms of Exchanges as applicable from time to time.

The Rajchandra Capital Services Pvt Ltd may, however, at its discretion, transfer the unpaid securities to Client's BO account based on the credentials and credit worthiness of the client.

Internal Shortage means one client has failed to give the delivery of the securities sold, which has resulted into short delivery to other client(s). In such an event, the transaction shall stand closed out by adopting following methodology:-

Closing price of securities as on T+2 day plus 10%.

SQUARE OFF POLICY

1. Open positions in CM segment may be squared off on 5th trading day from the settlement day to the extent of due debit and unsettled obligation amount. However, the treatment shall be based on the below scenarios presented.


Scenario 1 - Ledger Account is in debit for 3 continuous days from settlement date and Payment is made by cheque on or after 3rd day of debit reckoned from settlement day and the securities remain unpaid on 5th trading day from the settlement day due to unclear status of funds into the bank account of Rajchandra Capital Services Pvt Ltd., the unpaid stocks shall be squared off on the 5th trading day from the settlement day.

Scenario 2 - Ledger Account is in debit on 5th trading day from the settlement day and clients existing delivery stocks are sold on 4th day or 5th day of debit reckoned from settlement day and the securities sold are delivered for payin by 5th day of debit reckoned from settlement day, then the unpaid stocks shall be transferred to the clients BO account on the 5th trading day from the settlement day.

2. In case of square off, securities available in unpaid securities account may be sold proportionate to the outstanding amount or based on liquidity/ depth in market.
3. No fresh exposure will be allowed on square off day unless on receipt of clear funds / credit balance in ledger from sale proceeds.

Ledger balance for all purposes will be considered on the basis of realized balances excluding unclear cheque credit.

However, management at their sole discretion may take any informed decision to deviate from the aforementioned policy in certain instances on a case to case basis.

 (7) Client Signature: _____

Date: _____

Client Code: _____