

POLICIES & PROCEDURES

1. Refusal of orders for penny / illiquid stock

The Trading Member may from time to time limit (quantity/ value) / refuse orders in one or more securities due to various reasons including market liquidity, value of security(ies), the order being for securities which are not in the permitted list of the Trading Member / exchange(s) / SEBI. Provided further that Trading Member may require compulsory settlement / advance payment of expected settlement value delivery of securities for settlement prior to acceptance / placement of order(s) as well. The client agrees that the losses, if any on account of such refusal or due to delay caused by such limits, shall be borne exclusively by the client alone.

The Trading Member may require reconfirmation of orders, which are larger than that specified by the Trading Member's risk management, and is also aware that the Trading Member has the discretion to reject the execution of such orders based on its risk perception.

2. Setting up Exposure limits

SKP shall be entitled to sanction trading limits to the Client based on the margin lying to the credit of the Client in the form of funds / securities / bank guarantees / fixed deposit receipts. SKP at its sole discretion may refuse to accept any security as collateral/margin . SKP shall from time to time publish a list of securities which would be acceptable as collateral/margin. In setting exposure limits for the Client, SKP shall be entitled to consider such factors as it may deem fit, including without limitation, the client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of SKP and such other factors or conditions which SKP may consider relevant for the purpose. SKP reserves liberty to vary the trading/exposure limits of the Client depending upon its risk assessment from time to time having regard to the changes in any of the factors or market conditions bearing on the risk profile of the Client.

Neither SKP, nor any affiliate of SKP nor their respective directors, officers, employees, agents shall in any circumstances be liable for any direct or indirect loss, cost, liability, expense or damage (including without limitation all legal fees and expenses) arising from any variation or reduction of exposure or turnover limits by SKP.

3. Applicable brokerage rate

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

(a) For Cash Market 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.

(b) For Option contracts : Brokerage for option 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.

It is hereby further clarified that brokerage on options contracts shall not exceed 2.5% of the premium amount or Rs.100/- (per lot) whichever is higher.

4. Imposition of penalty / delayed payment charges

The client agrees that any amounts which are overdue from the client towards trading or on account of any other reason to the Trading Member will be charged with delayed payment charges at such rates as may be determined by the Trading Member.

The client agrees that the Trading Member 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 Trading Member 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.

The client agrees to pay to the Trading Member brokerage, commission, fees. all taxes, duties, levies imposed by any authority including but not limited to the stock exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account / transactions / services that the client avails from the Trading Member.

5. The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues

Without prejudice to SKP's other rights (including the right to refer a matter to arbitration), in the event of the Client failing to maintain/supply applicable margin money required to sustain the outstanding market positions of the Client, SKP shall be entitled, at its option and liberty, to liquidate/close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off. The Client understands and accepts that authority of SKP to square off outstanding market interests of the Client in the event of the Client failing to furnish margin money immediately on demand is carte blanche qua the entire outstanding position and the Client shall not, as a matter of right, be entitled to reduction of the outstanding positions in stages in order that positions to the extent of available margin are retained in the Client's account. SKP may also sell off all or any securities of the Client lying with SKP as collateral or otherwise, for any amounts due by the Client and adjust the proceeds of such liquidation/close out against the client's liabilities/obligations to SKP. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client. Such liquidation/ close out may be without any prior reference or notice to the client. Client shall keep and hold SKP indemnified and harmless from any loss arising out of such closing out/squaring off. Such liquidation or close out of positions shall apply to any segment in which the Client does business with SKP.

6. Shortages in obligations arising out of internal netting of trades

Trading Member shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the Trading Member from the exchange, the clearing corporation/ clearing house or other company or entity liable to make the payment and the client has fulfilled his / her/ its obligations first.

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a) In case Client has made any purchase of securities and the delivery of the same falls short inter-Client at the Trading Member level, Client hereby authorise SKP, to close out the purchases of the same at 10% above the closing prices on the pay-in day or average price on the trade day, whichever is higher and credit his account with the same.
- b) In case Client has made any sale of securities and due to any exigencies client is unable to make available the delivery of the same in the designated account within the designated time and it is a inter-Client delivery at the broker level, client hereby authorises SKP to close out such transaction at 10% above the closing prices on the pay-in day or average price on the trade day, whichever is higher and debit his account with the same.

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

SKP is entitled in its sole discretion to :

- a) Restrict or refuse execution of any orders for transaction in any scrip if transaction in such scrip is not in accordance with its internal due diligence policy and/or the directives and guidelines of the Exchanges and/or the Regulator issued from time to time and the client shall not call in question any decision of SKP to restrict or refuse transactions in such scrips on the ground that transactions in such scrip are not in violation of SKP's due diligence policy or the directives or guidelines of the Exchange and/or the Regulator or on the ground that the Client has not been put on notice about the scrips on which trade restrictions have been imposed by SKP.
- b) Impose trade restrictions on any scrip having regard in particular to any one or more of the following factors viz.
 - i) Market volatility,
 - ii) Price sensitive announcements relating to any scrip,
 - iii) Restrictions on trade volume imposed by the Exchange concerned,
 - iv) Political instability in the country,
 - v) External aggression or internal rebellion,
 - vi) Default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the securities market.
- c) Refuse to accept or act upon any request/order which in SKP's sole opinion, amounts to manipulating trades or price manipulation or artificial trade(s) and/or fraudulent trade(s) or otherwise in breach of applicable laws and/ or SKP's internal policies, without obligation to give the Client its reasons for doing so;
- d) Close out any transaction which may have been executed but which SKP was entitled to refuse to execute being contrary to its internal due diligence policies or by reason of any other factors including but not limited to trades being manipulative in nature;

- e) Disallow any trades or transactions in respect of certain securities or segments which may be below/above certain value/quantity as may be decided by SKP from time to time;
- f) SKP may at its sole discretion decline to carry out the instructions are not carried out for any reason whatsoever

8. Temporarily suspending or closing a client's account at the client's request

- (i) The client may request the Trading Member to temporarily suspend his account. Trading Member may do so subject to client accepting / adhering to conditions imposed by Trading Member including but not limited to settlement of account and/ or other obligation.
- (ii) The Trading Member can with hold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension.

9. De-registering a client

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

- (i) 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 the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the Client under any law in force;
- (iii) On the death/lunacy or other disability of the Client;
- (iv) 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;
- (v) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or 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;
- (vi) If the Client being a partnership firm, has any steps taken by the Client and/ or its partners for dissolution of the partnership;
- (vii) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
- (ix) 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;
- (x) If the Client suffers any adverse material change in his / her / its financial position or defaults in any other agreement with the Trading Member;
- (xi) If the Client is in breach of any term, condition or covenant of this Agreement;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

However notwithstanding any termination of the agreement, all transactions made under / pursuant to this agreement shall be subject to all the terms and conditions of this agreement and parties to this agreement submit to exclusive jurisdiction of courts of law at the place of execution of this agreement by Trading Member.

10. Inactive Accounts

Client account will be considered as inactive if the client does not trade for a period of twelve months or such other period as may be defined by SKP. For treating the client account as inactive will be done at the beginning of every month.

In order to reactivate the inactive account a written request has to be made by the client. The Member reserves the right to ask for any documents in support of current address, bank account, demat account, financial status, etc before reactivating such inactive accounts.

Client acceptance of policies

The prevailing policies and Procedures of SKP in respect of the above said matters shall remain published on its back-office website www.SKPbackoffice.com or such other websites as may be notified to the Client from time to time and the Client agrees that it is Client's responsibility to access, understand and abide by such policies at all times during the subsistence of this agreement. SKP shall provide the Client with secured access to its website through unique client specific user ID and Password.