

POLICIES & PROCEDURES

Refusal of Orders for Penny Stock :

SANKALP shall have absolute discretion to term a stock as “PENNY”. As per our policy, “PENNY STOCK” can be referred to as the stocks which are appearing in the list of illiquid securities issued by the Exchange every month and any other stocks which SANKALP might consider to be illiquid.

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. SANKALP at its discretion can accept, refuse or partially accept any buy or sell order for execution from the client in respect of such script. SANKALP may allow restrictive acceptance of orders in such scripts and may demand appropriate declarations and additional margin from the client before accepting order of such stocks.

SANKALP may cancel orders in such scripts received by the clients before execution or partial executions or place any other kind of restrictions on the trade on such scrips without assigning any reasons thereof to the client. SANKALP shall not be responsible for any consequential opportunity loss or financial loss that a client may incur from delay or non-execution of orders in penny stock.

Setting up Client's Exposure Limits:

Exposure limit of each client is set based on Margin money given by the client including ledger balance after applying appropriate haircut and as per the Exchanges Regulations. Upfront margin is collected from client.

The exposure limit may be changed based on the volatility in the market, quality of collateral and Client's existing open Position.

SANKALP may set different exposure limits varies for different clients depending upon the credit worthiness, integrity & past conduct of the client, the client agrees that SANKALP shall not be responsible for such variation, reduction or imposition or the client inability to route any order through SANKALP trading system on account of any such variation, reduction or imposition of limits.

Applicable Brokerage Limit :

The Brokerage Rate applicable to the clients vary from client to client depending on the category of the client i.e. HNI, Institutional, low, medium and high risk client. At the time of induction of a new client, the financial stability of the client is assessed/ measured and the expected volume is also determined and the brokerage is fixed with the mutual consent of the client. However the brokerage rate charged from the clients does not exceed the maximum brokerage specified by the Exchange. The brokerage slab of the client shall be reviewed at intervals after assessment of the amount and the quality of volume generated by the client as per his commitment the rates may be increased with prospective effect at 15 days notice send to the email address or postal address of the client registered with SANKALP. Apart from Brokerages, the other charges such as STT charges, stamp duty charges , transaction charges levied by the exchanges, trade clearing charges, SEBI transaction charges, service tax or any other exchange related charges or statutory levies are to be paid by the client separately.

Imposition of Penalty/Delayed Payment Charges by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws):

As per regulation the client should pay his pay in obligation of funds on or before one day for the Exchange pay in day. We make the policy of charging penalty/delayed payment charges to discourage client in making late/Delayed payment.

We may impose reasonable penalties for bouncing of cheques, non-delivery, auction on failure of payment, short payment/ Non-Payment of margin money to discourage such violations and recover the same from the clients account directly.

As per our policy, Client will be liable to pay late pay in /delayed payment charges @ .07% on a daily basis for the overdue amount for not making payment of their pay in obligations on time.

Clients obligation also includes shortage of cash component (minimum 50%) for trading on that day. We also charge interest in Derivative Segment on shortage of cash component which is maximum of @.07% per day including holidays.

For better understanding we calculate cash component shortage as per below details as per example:

Higher of margin as per MG13 file: Lk & as per CC file is 4.50 Lk

So, Margin applicable is 4.50 Lk

Conversion of margin to actuals i.e.90% max utilization allowed i.e. $(4.50/90)*100=5$ Lk so required 50% cash component is $5*50\%=2.50$ Lk.

The client agrees that SANKALP may impose fines/ penalties for any orders/trades/deals/actions of the client which are contrary to his agreement/rules/regulations/byelaws 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 SANKALP has to pay 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 right to sell client's securities or close client's positions, without giving notice to the client, on account of non- payment of client dues (This shall be limited to the extent of settlement/margin obligation) :

SANKALP shall be entitled to liquidate client's securities, both unpaid & paid securities as well as collaterals deposited towards margins or close out client's open position, without giving notice to the client for non-payment of margins or other amounts including the pay-in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidations/ Closing out shall be charges to and borne by the client.

In case the payment of the margin/security is made by the client through a bank instrument, SANKALP shall have absolute discretion to give the benefits/credit for the same only on the realization of clear proceed in SANKALP bank account. Where the margin/security is made available by way of securities or any other property, SANKALP is empowered to decline its acceptance as margin/security and /or accept it at such reduced value as SANKALP may deem fit by applying haircuts or by valuing it by making it to market. In cases of securities lying in margin account/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. The stock broker has the sole discretion to decide referred stipulated margin percentage depending upon the market conditions.

In event of death or insolvency of the client, SANKALP may close out all outstanding positions of the client, adjusting the loss incurred on such closures with the margin deposited by the client and claim further shortfalls, if any, against the estate of the client. The successors or heirs of the client shall be entitled to any surpluses which may result there from.

The above action is at the sole discretion of SANKALP and may vary from client to client. It shall not be under any obligations to undertake the exercise compulsorily. SANKALP shall therefore not be under any obligation to compensate or provide reasons of any omission or delay on its part to sell client's securities or close open positions of the client.

Shortages in obligations arising out of internal netting of trades:

If the seller of the security in the internal netting of trades has failed to deliver the security in the scheduled settlement number in the designated settlement account of the member, the seller has to deliver the security in the designated auction settlement for the scheduled settlement. However, if the seller is unable to deliver the security as mentioned above.

The securities delivered short are purchased from the market and the purchase consideration (Including all statutory taxes & levies) along with a penalty is debited to the short delivering seller client. In case the shares are not available for purchase for any reason then the shortage will be closed out at the highest closing price from trading day + 0 day (i.e. next trading day to actual trading) to trading + 1 (i.e. Auction date) will be considered. Currently, the penalty levied amounts to NSE clients charged at flat rate of Rs. 0.40 on value of purchase and BSE clients @ 1% on value of purchase consideration.

Condition 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 unable to meet his pay-in-obligation as per exchange requirement irrespective of the value of collateral's available.
- b) Long pending debit balance in the client's account.
- c) Dishonor of Cheque.
- d) Client dealing in "illiquid" stock as declared by SANKALP.
- e) Transaction which may appear to be suspicious in nature.
- f) Where based on the happening of an event, SANKALP has a risk perception that further trading in the contracts/ securities may not be in the interest of the clients and/or the market.
- g) Failing to provide sufficient margin as demanded by the member within the specified time.
- h) The dealer of the member is unable to ascertain the identity of the client.
- i) Taking further position would violate any circular, rules, regulations or by-laws of stock exchanges or SEBI either on account of Client-wise or broker wise limits.
- j) Existing position violates any circular, rules, regulations or bye-laws of stock exchanges or SEBI either on account of client wise or broker wise limits.
- k) In case sudden changes in margin requirement of Exchanges.

Temporarily suspending or closing a client's account at the client 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 or the member gets any information about the death or insolvency or the member has not found the Client on the registered address or member has reasons to believe that continuing the client account is not in the bonafide interest of the member or exchanges or nation. If the reason given by the clients 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.

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:

- a) 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 securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- b) If there is any commencement of a legal process against the client under any law in force.

- c) On the death/lunacy or other disability of the client.
- d) If the client being a partnership firm, has any steps taken by the client and/or its partners for dissolution of the partnership.
- e) If the client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with stock broker.
- f) If there is reasonable apprehension that the client is unable to pay its debts or the client has admitted its inability to pay its debt as they become payable:
- g) if the client is in breach of any term, condition or convenient of this agreement.
- h) If the client has made any material misrepresentation of facts, including (without limitation) in relation to the security.
- i) 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.
- j) 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.
- k) If any convenient or warranty of the client is incorrect or untrue in any material respect.

Inactive accounts:

The account of a client who do not trade and remain inactive for 24 Months shall be declared "inactive account" and will be temporarily suspended.

The Member reserves the right to ask the client to furnish further additional details like his address, client code, phone number etc. The Member may ask the client to furnish margin along with KYC which includes proof of current address, bank account, demat account, financial status etc. after the process Client can place trade once we receive confirmation from exchanges for permitted to trade.

I/We have fully understood the above-mentioned Policies and procedures adopted by the broker and sign hereunder as token of our acceptance for the same.

Client acceptance of policies and procedures stated hereinabove

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 in this document under any circumstances whatsoever. These policies and procedures may be amended /changed by giving 15 days' notice 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 compulsorily referred to while deciding any dispute/difference or claim between me/us and SANKALP before any court of law/judicial/adjudicating authority including arbitrator/mediator etc.

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Signature of Client