

POLICY AND PROCEDURES

This is mandatory/compulsory document from Broker and requires your utmost care attention and understanding, This is additional requirements from broker which if contravenes any rules regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges shall be null and void. (Refer SEBI Circular No. MIRSD/SE/Cir-19/2009 dated 3-12-2009)

Dealing in Penny Stocks

Generally, the broker refuse to enter any order of clients for penny stocks, the client is required to adhere to exchange/members guidelines and due diligence while trading in such scrips. Even trading in such scrips is very risky. As such, the stock broker 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 stock broker / exchange(s) / SEBI or liquid scrips, Depending on the market condition and risk management policy of the company. The stock broker reserve the right to refuse to provide limit in Penny Stocks and losses if any on account of such refusal shall be borne by the client only. We the broker, do hereby warn the client not to deal in any penny stocks. However, Broker at its sole discretion, may allow or disallow the clients (on case to case basis) to deal in penny stocks. subject to rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, as related point of time. The exposure limit in such scrip shall vary from client to client subject to RMS Policy of Broker and prevalent market condition from time to time without prior notice.

Client's Exposure Limit

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 on number, value and/or kind of securities in respect of which order 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 not limited on account of exchange/SEBI directions/limits (such as broker level/market level limits in securities specific/ volume specific exposure 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 client's inability to route any order through stock broker's trading system on account of 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 order or trade in securities through the stock broker, or it may subject any order placed by the client a review before its entry into the trading systems and 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 limit set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem fit and proper 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 clients alone. The stockbroker has margin based Risk Management System. Client exposure limits are set based on collateral and funds deposited by the client. The type of acceptable collateral as well as the exposure limit varies from client to client depending upon the profile and the channel of trading of the client.

Brokerage Rate :

The broker discloses that it shall charge a brokerage at the rate being agreed by the client with Broker (including its branches or sub-brokers) as per tariff sheet executed by the client and depending upon market circumstances or as may be prescribed in KYC document / Back office Software, However, the broker shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI/Exchanges from time to time. On option segment of Exchange. It is hereby disclosed that brokerage shall not exceed 2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.

Imposition of Penalty/Delayed payment Charges :

The client agrees that any amounts which are overdue from clients towards trading or on account of any other reason to the stock broker, will be charged with delayed payment charges @ 12% to 21% p.a. (depending upon prevalent market rate). The client agrees that the stock broker may impose fines/penalties for any orders/traders/deals/ actions of client which are

country to this agreement or understanding as per KYC documents / rules / regulations / byelaws / circulars / guidelines / direction of the Exchange or SEBI or under any other law for time being in force at such rates and in such from as it may deem fit. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with or as a consequence of or in relation to any of the orders/trades/deals/actions of the client the same shall be borne by the client.

However, the client discloses that he/she/it is aware and specifically agree that charging of delayed payment charge by stock broker is just an additional/ad-hoc facility and shall not be construed/resulted into permanent practice leading to funding by broker in contravention of applicable laws.

Sell of Securities or Closing Open Position :

The client also agrees and confirms and undertake to immediately deposit with the stock broker such funds, securities or other acceptable security which the stock broker may in its own discretion from time to time require as margin. The client agrees that the stock broker shall be entitled to require the client to deposit with the stock broker a higher margin than prescribed by the Exchange. The client is liable to pay an initial margin upfront on or before creating a position in any Derivatives Contract. Such margin shall be decided upon by the stock broker or the Exchange from time to time. Furthermore, the client is liable to pay (or receive) daily margins depending on whether the price of derivatives contract moves for or against the position undertaken. The client may also be liable to pay withholding margin, special margin or such other margins as are considered necessary by the stock broker or the Exchange from time to time. The stock broker is permitted its sole and absolute discretion to collect additional margins (even though not imposed by any exchange or SEBI) and the client shall be obliged to pay such margins. In case the client does not provide the required margin or any other payment whatsoever within the time frame specified by the stock broker, the stock broker shall have the right to appropriate and / or sell and / or instruct to sell and/or transfer all or any securities or money in client's account and/or any associated account and/or any proceeds thereof, square-off all or any outstanding positions, prevent any new orders from being placed and / or executed by the client or take such other action as the stock broker thinks fit and proper. The stock broker may exercise all or any of the above rights in such manner as the stock broker may think appropriate, without demand for additional margin, security or collateral or advance notice or advertisement on any exchange or other market where such business can be transacted, at a public auction or by private sale and the stock broker may be the purchaser/seller for its own account. The giving of any prior demand, call or notice shall not be considered as a waiver of the stock broker's right to exercise its rights without any such demand, call or notice. The client agrees that in case of high market volatility, the stock broker may require that client to pay instantaneous margins in addition to the margins that may already have been paid by the client as per margin calls. The client agrees that the stock broker may be compelled to in such to in circumstances of extreme market volatility, square-off all or any outstanding positions, prevent any new orders from being placed and / or executed by the client or take such other action as the stock broker thinks fit and proper, even without calling for the payment by the client, of the aforesaid instantaneous margins by the client. In case of short fall in the margin, the stock broker shall check for availability of additional limits in client's associated account(s) to see whether adequate additional limits are available to restore the margin level to the initial margin level and if no such limits are available then the client's outstanding positions may be squared-off by the stock broker, at its discretion, with notice to client. If the client has entered into a short sale or long purchase then the stock broker shall be entitled to, at any time before the client has squared-off his short sale or long purchase position, square-off and/or carry forward the whole or part of the same on any day, at any place and in any manner as the stock broker thinks fit, or permit the exchange to close out or auction such position, and the aforesaid shall be at the client's sole risk and cost.

In case of such square-off trades executed by us, pursuant to margin calls made to client, in any appropriate form, the same may be indicated through remark column in the contract note.

Shortage in Obligation and Internal Auction :

The stock broker 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 stock broker from Exchange, the clearing corporation/house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligation first. In case of default in security pay in by the client and the shortage is a member level i.e. internal shortage then the benefit calculated at the next day's closing rate after pay-out day shall be recovered from the defaulting client and passed on to the respective beneficiary client. In case of the default of securities pay-in by the client and the shortage is from the exchange, auction value of the respective exchange plus penalty (decided by

the member from time to time) plus brokerage and other statutory charges shall be recovered from the defaulting client. In the case of funds default by the client, the member shall be liquidating the stocks to recover the money, Any shortfall arising out of liquidating securities by the members shall also be recovered from the defaulting client along with interest (decided by the member from time to time)

Restrictions/Prohibition to take further position or closing existing position)

Under any of the circumstances, such as, client's failure to meet pay-in or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker as per its RMS policy, the client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Even, broker can firstly set-off or adjust the payment or securities towards various dues and obligation of the client and until the full clearance of the same, shall not allow the client to take further/fresh position. Further, it would be the duty of the client to monitor his/her/its position with the broker from time to time. In case of any delay or failure in meeting any obligation, margin requirements etc. from client side, broker might close the existing position or open position **WITHOUT ANY FURTHER INFORMATION** to be client as per RMS policy. Notwithstanding anything contrary stated in the KYC documents, the stock broker in its absolute discretion, shall impose such restriction(s) or prohibit the client from taking further position or close out existing position or terminate broker- client relationship, in happening of any of the following or under any the following circumstances which may include without any limitation,

- (i) other circumfailure to meet pay-in obligation on T+1 day
- (ii) delay in meeting the pay-in or margin requirement.
- (iii) delay or failure in clearance of outstanding or dues to the broker.
- (iv) returning or frequent returning of cheque(s) of the client
- (v) Unnecessary / Unwarranted dispute from client without any substantial cause/reason
- (vi) Client's attitude of not coming to the amicable settlement for any dispute that can be settled without involvement of Exchange and / or SEBI.
- (vii) As per prevalent surveillance action or RMS policy of the Broker from time to time.

under any law in force.

- (ix) On the death/lunacy or any other disability of client;
- (x) If a receiver/liquidator/administrator has been appointed or allowed to be appointed for all or any part of the undertaking of the client :
- (xi) If the action of the client is/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:
- (xii) If the client has voluntarily or compulsorily become the subject to 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 to itself to the BIFR or under any other law providing protection as a relief undertaking.
- (xiii) In case of partnership client, the partnership has taken any steps for dissolution of partnership.
- (xiv) If the client has made any material misrepresentation of the facts, including without limitation in relation to the funds and/or security.
- (xv) If there is reasonable apprehension to the Stock broker that the client is unable to pay his/her/its debts or has admitted its inability to pay, as they become payable.
- (xvi) If the client suffers any adverse material in any other agreement or understanding or obligation with the stock broker.
- (xvii) If any contract a warranty of the client is incorrect or untrue in any material respect.
- (xviii) Under such circumstances as the broker might think just and proper on case to case basis.

Suspension / Deregistering of Client Account :

The Broker and/or client may suspend Client's Trading Account from further dealing in the securities market through the broker in follow circumstances.

- (a) as per Client's prior written request of atleast 3 days submitted to Broker at its Ahmedabad H.O. duly acknowledged by Broker (subject to clearance of entire outstanding/obligations) subject to client accepting/adhering to conditions imposed by the stock broker including but not limited to settlement of account/release of holds and/or obligation.
- (b) Dormant or in-active status of client account beyond specified time limit as may be prescribed by Broker from time to time.
- (c) Under any circumstances mentioned (i) to (xviii) above

Policy for Dormant / In-active account :

As per Broker's RMS policy, the account in which no transaction has took place during the period of not less than 6 months (presently 12 months) or such other period from the date of last transaction, the same shall be considered as Dormant/In-active account. Such transaction date may relate to any of the following date, which ever is later :

- (a) entry related to contract or bill generation for buy/sell transaction or
- (b) entry related to payment of funds or securities by client or
- (c) entry passed by the broker by way of JV due to any dues / obligation recoverable from client including but not limited to auction charges, any penalty amount whether or not imposed by Exchange or SEBI or other authorities etc.

To designate the client's account as Dormant/In-active account. the period of 12 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place, In case Broker treats the account of client as a dormant/in-active account, the funds or securities lying with the broker shall be refunded / returned to clients immediately on demand by the client. In order to reactie the account, client needs to instruct the Broker in writing atleast 2 days in advance at its Ahmedabad H.O. The Broker will try to promptly reactive the said account subject to fulfilment of such conditions as Broker may consider fit and proper. Such written request may also be sent by Client himeslf to MNM Stock Broking Pvt. Ltd. from client's own e-mail account registered with Broker. However, Broker may in its own discretion, waive/reduce the period of 2 days as the circumstances may warrant on case to case basis.

Client's acceptance of policies and procedures started herein above.

I/We have throughly read and fully understood the same and do heresign and agree not to call into question the validity enforce ability and applicability or any provision/clauses of this document under any circumstances what so ever. These policies may be amended/changed unilaterally by the stock broker provided the change is informed to me/us through any one of more means / methods such as post/speed post/courier/regd. post/regd.ad/fcsimile/telegram/e-mail/voice mail/telephone (telephone includes such devices as mobile phone etc.) including SMS on the mobile phone or any other similar divice/by messaging on the computer screen of client's computer/informing the client through the employees/agents/sub-brokers/authorised persons of the stock broker/by publishing or displaying it on the website of stock-broker/making it available as a download from the website of the stock broker/broad-cast/newspaper advertisement etc. or any other suitable or applicable mode or manner. I/We agree that the delivery shall be complete when communicatin is given to the postal department / courier company / the e-mail/voice mail/SMS service provider etc. by the stock broker and I/We agree never to challenge the same on any grounds including the delayed receipt/non-receipt of any other reason what soever. These policies and procedures shall always be read along with other provisions of the KYC mandatory documents and shall compulsorily referred to while deciding any disputer / difference or claim between me/us and stock broker before any court of law/arbitrator or mediator/judicial/adjudicating authority etc.

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Client's Signature

38. I/We are aware and agree that as per the SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 30.06.2019 that MNM Stock Broking Pvt. Ltd. (herein after referred to as MSBPL) shall transfer the securities bought by me/us to my/our demat account within 1 working day in case of full payment made by me/us. If I/We fail to make the payment in full then, MSBPL may transfer the securities to the "client unpaid securities account(CUSA)".
- I/We further agree and confirm that, the securities kept in the CUSA shall either be transferred to my/our demat account upon fulfilment of my/our funds pay-in obligation or it shall be disposed of in the market by MSBPL within 5 trading days after the pay out without any notice to the extent of debit balance of the client and/or as per MSBPL's Risk Management policy. Any profit/loss occurred on such sale transactions of unpaid securities, will be borne by me/us and transferred to/ adjusted in my/our ledger. If all/any of such stock will remain in CUSA due to my/our default, MSBPL may charge a fine/penalty as levied on MSBPL by the exchange/depositories to me and I/We shall not object the same.
39. I/We have permitted you to provide contract notes and other documents in electronic form authenticated by means of a digital signature in substitute of the physical Contract note, statement of account, settlement statement for funds and securities, daily margin report and other documents etc. through e-mail. For this purpose I/We have provided Email address on the KYC form. However you may at your discretion, continue to issue contract notes in physical form instead of ECN.
40. I/We agree and allow you to apply appropriate haircut on securities given for margin purpose in any segment/exchange which may be as a flat rate on all securities or may be additional percentage on the rate of the exchange from time to time.

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Client's Signature