

POLICIES & PROCEDURE

MANDATORY DOCUMENT DEALING WITH POLICIES PROCEDURES PURSUANT SEBI'S CIRCULAR NO. MIRSD/SE/CIR-19/2009 DATED 3RD DECEMBER, 2009

Policies and Procedures forms integral part of the Member Constituent agreement

1. Refusal of order for penny stocks:

Bansal finstock private Limited shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks having low liquidity, illiquid "options", far month "options", stocks in S,Z and B2, T, TS category and any other contracts which as per the perception of Bansal Finstock Pvt. Ltd are extremely volatile or subject to Market manipulation.

Bansal Finstock Pvt. Ltd may permit restrictive acceptance of orders in such scrips/contracts in controlled environments like orders received from clients being forwarded by branches to centralized desk at HO instead of allowing trading in such scrips/Contracts at branch level or through Online trading platform. Bansal finstock Pvt. Ltd shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to client.

Bansal Finstock Pvt. Ltd may cancel orders in such scrips received from clients before execution or after partial execution without assigning any reason thereof.

Bansal Finstock Pvt. Ltd may take appropriate declarations from the clients before accepting such orders.

Bansal Finstock Pvt. Ltd shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and /or the client had previously purchased or sold such securities/ contracts through Bansal Finstock Pvt. Ltd itself.

2.....Setting Up client's Exposure Limits :

The client will have to abide by the exposure limits, if any set by Bansal Finstock Private Limited or by the exchange or Clearing Corporation or SEBI from time to time. The Client is aware and agrees that such exposure limit whether on the buy or the sell side, may operate specific to a security or contract and or on an aggregate basis or based on need of Bansal Finstock Private Limited needed to vary or reduce or impose new limits urgently on the basis of assessment of the associated risk perception of Bansal Finstock Private Limited, risk profile of the client and other factors considered relevant by Bansal Finstock Private Limited including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/ market level limits in security

specific /volume specific exposures etc.) Bansal Finstock Private Limited may be unable to inform the client of such variation, reduction or imposition in advance. Bansal Finstock Private Limited, from time to time, shall also be entitled to square-off/liquidate/sale/close the position(s) and/or stock as if may deem fit without any reference to the client, in case the client falls to maintain/deposit minimum margin as required by Bansal Finstock Private Limited. The client agrees that Bansal Finstock Private Limited shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through trading system of Bansal Finstock Private Limited on account of any such variation, reduction or imposition of limits. The policy will be at the discretion of Bansal Finstock Private Limited based on margin availability, selection of the scrip, component of cash and securities, past track records of the client, volatility in the market and other factors considered relevant by Bansal Finstock Private Limited. Exposure limit of the client will be set by Risk Management & Surveillance (RMS) Department of Bansal Finstock Private Limited on the basis of above criteria and will vary from time to time due to conditions mentioned above. It will be duty of client to find out for the exposure limit set from Risk Management & Surveillance(RMS) Department of Bansal Finstock Private Limited, and the client will have to keep himself informed on regular basis.

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Applicable

Brokerages shall be applied as per the rates agreed upon either the client in the KYC at the time of registration of the client subsequently through a written agreement between the client and Bansal Finstock Private Limited. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange by-laws.

All applicable tax/Government Levies/Statutory Levies prevailing at present and may be imposed by Government or Statutory Authority from time to time.

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

Bansal Finstock Private Limited shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy. The current procedure for Internal auction is displayed on the website, which may be amended from time to time with prospective effect after publishing the same on the corporate website.

The client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in – obligation which resulted into internal shortage, i.e. buy position of another client of Bansal Finstock Private Limited, self Auction of Internal short scrip will be carried out by Bansal Finstock Private Limited.

Internal Shortage in BSE:

In case of internal shortage of securities in BSE, Bansal Finstock Private Limited will request the exchange to conduct the auction on behalf of the Bansal Finstock Private Limited. The Seller client will be debited at the auction rate plus penalty charged by the exchange and the securities payout will be passed on to buyer or closeout as per Exchange Rules. If the self auction file is rejected or failed on account of technical or any other reason, then the securities will be bought in the open market by Bansal Finstock Private Limited in BSE on T+2 day or on settlement day. The seller will be debited at sale rate or at the rate at which stock is bought by Bansal Finstock Private Limited in the open market, whichever is higher. The profit, arising on account of buy rate lower than the sell rate, benefit, if any, will be passed on to buyer. The charges will be debited to short seller at 0.50% on value.

Internal Shortage in NSE :

In case of internal shortage of security in NSE, the securities will be bought in the open market by Bansal Finstock Private Limited in NSE on T+2 day or on settlement day. The seller client will be debited at sale rate or at the rate at which stock bought by Bansal Finstock Private Limited in the open market, whichever is higher. Securities payout will be passed on to the Buyer. The profit, arising on account of buy rate lower than the sell rate, the benefit, if any, will be passed on to buyer.

In case of or any other reason whatsoever, if Bansal Finstock Private Limited is unable to buy such quality in NSE or BSE as the case may be the outstanding security pay-in obligation of the seller client shall be closed out at the rate of the closing rate of T+3 or on the next settlement day plus penalty calculated as below. The buyer client will be credited at same closing rate at which seller client was debited.

Shortage From Exchange :

In case of short delivery from the exchange, the securities shall be delivered to the purchaser on the deliveries received from the exchange.

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.

Bansal Finstock Private Limited 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 Bansal Finstock Private Limited / exchange / SEBI and any other reasons which Bansal Finstock Private Limited may deem appropriate in the circumstances.

- a. For non-payment or erosion of margins or other amounts, out standings, debts etc. Bansal Finstock Private Limited can adjust the proceeds of such liquidation / close out, if any against the client's liabilities / obligations.
- b. Any order which is executed without the required Margin in the client's account or the broker's exposure is more than 90% and above, no fresh trade will be allowed.
- c. The client hereby authorized Bansal Finstock Private Limited to square off all his/her/its outstanding positions at the discretion of Bansal Finstock Private Limited. Further it would be the duty of the client to monitor his/her/its position with Bansal Finstock Private Limited time to time. In case of any delay or failure by the client in meeting any obligation, margin requirements etc. Bansal Finstock Private Limited may as its direction, close the open position / contract without any further intimation to the client in this regards as per the Risk Management & Surveillance (RMS) policy.
- d. Under the certain market conditions, it may difficult or impossible to liquidate a position in the market at a reasonable price or even no liquidation may take place at all, when there no out standing orders, either on the buy side or the sell side, or if trading is halted in a security due to any action on account of unusual trading activity or stock has hit circuit filters or for any other reason as prescribed or instructed by SEBI.
- e. Bansal Finstock Private Limited is entitled to disable / freeze the account or trading facility / any other service if, in the opinion of Bansal Finstock Private Limited, the client has committed a crime, fraud or has acted in contradiction of member client / tripartite agreement or / evade/ violate any laws, rules, regulations directions of a lawful authority whether Indian or foreign or of Bansal

Finstock Private Limited so apprehends. Any profit / loss arising out of these transaction shall be at the risk of and borne by the client.

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

Client may instruct the member to close the account or suspend the trading through client's account for period as specified in the request in writing and dually signed by him. Bansal Finstock Private Limited can withhold the payouts of client and suspend client's trading account due to surveillance action of Bansal Finstock Private Limited or judicial or / and regulatory order / action requiring client suspension. Bansal Finstock Private Limited shall maintain such suspension / disablement till such time the client make a specific request and complies with required formalities in that regard.

9. Deregistering a client :

The parties to the agreement shall be entitled to terminate the agreement or any part there of without giving any reasons to the other party, after giving notice in writing of not less than one month to the other party. For that purpose, the client will be liable first to settle his / her / its account in full. In case of any shortfall or any dues or payment remaining after adjusting the margin account, the client will be liable to make payment of the same. In case of surplus arising after netting off of the account, client shall be entitled to receipt of the same.

In the following circumstances Bansal Finstock Private Limited shall be entitled to suspend or terminate the agreement without prior notice.

- a. The client has breached the Agreement.
- b. Upon the death, winding up, bankruptcy, liquidation or legal incapacitation of the client or is designated as a defaulter by any credit rating agency or any action or proceedings have been initiated by the relevant regulator / authority including SEBI.
- c. The client fails to maintain the bank account and/ or the demat account (or any replacement thereof) .
- d. The client has misrepresented facts at the time of entering in to this agreement or at the time of giving instructions or otherwise.
- e. he client fails to meet his / its payment obligations under this agreement or otherwise due to Bansal Finstock Private Limited.

- f. The client has violated applicable law, more particularly, the securities laws and by-laws, rules and regulations of the respective stock exchanges on which the client trades.
- g. If the client migrates to a jurisdictions which prohibits trading in Indian Securities or otherwise subjects Bansal Finstock Private Limited or any of its employees to any licensing or registration requirements.

Upon termination of the agreement, all other agreements, annexure and writings, supplementing the agreement entered in to by and between the parties hearing shall stand terminated.

Notwithstanding any such termination all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered in to and prior to the termination of the agreement shall continue to subsist and vest in / be binding all the respective parties or his /her / its respective heirs, executors, administrators, legal representatives or successors as the case may be.

Above terms and procedure will be subject to the change by stock exchanges / SEBI or other regulatory authority.