

Mandatory Policies and Procedures

(as required by SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009

POLICIES AND PROCEDURES AS PER SEBI CIRCULAR NO. MIRSD/ SE /CIR-19/2009 DATED 3 DEC, 2009

The following are the policies and procedures formulated by Trust Financial Consultancy Services Private Limited (Trust):

i) Refusal of Orders for Penny/illiquid securities:

TRUST is advising to the clients not to deal in penny securities and if client deals with the penny stocks, 100% margin will be taken from the client and these shares will not be taken to as Margin deposit. A list of securities which are illiquid / penny shall be classified from time to time based on internal criteria. Apart from this, client may refer the list of illiquid securities notified on periodic basis by the Stock Exchanges concerned. TRUST reserves the right to refuse execution of any transaction requests of the Client on such illiquid securities or to reduce the open market interests of the Client in such securities from time to time.

ii) Setting up of Exposure limits:

The client agrees to abide by the exposure limits, if any, set by the TRUST or by the Exchange or Clearing Corporation or SEBI from time to time. The exposure / trading limits to the Client would be set adhoc based on the margin lying to the credit of the client in the form of funds / securities / FDR / bank guarantee. In setting exposure limits for the Client, the factors shall be considered like client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of the company and such other factors or conditions which TRUST may consider relevant for the purpose from time to time. TRUST 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.

iii) Applicable Brokerage Rate:

TRUST shall levy brokerage rate for the client's transactions as per the brokerage slabs mutually agreed with the client in writing in the Client Registration Form subject to the maximum rate prescribed by the Stock Exchanges / SEBI from time to time. Any change in the brokerage rate shall be intimated to the client at least 15 days in advance in writing.

iv) Imposition of Penalty / Delayed payment charges to client:

Client shall be liable to penalty and other charges on non payment of margin money, short selling of securities or units, failure on payment of auction, cheque bounce, non delivery of shares, increase open position or on any orders / trades / deals / actions of the client which are contrary to this mandatory and voluntary client registration document / rules / regulations / bye laws of the exchange or any other law for the time being in force as per Rules, Regulations, Guidelines and Circulars issued by SEBI and stock exchange from time to time.

Delay payment charges to clients for non receipt of full payment of value of delivery purchased or margin imposed will be decided on case to case basis by the management not exceeding 2% p.m. The company reserves the right to change the penal interest charges/other levies from time to time subject to mutual consent of the client in meeting.

All fines/penalties and charges levied upon the Client due to its acts / deeds or transactions will be recovered by the Stock Broker directly from the client's account.

v) 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:

In the event of the Client failing to maintain / supply applicable margin money required to sustain the outstanding market positions of the Client or on account of pay in obligations, TRUST 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. TRUST may also sell off all or any securities of the Client lying with TRUST as collateral or otherwise, for any amounts due by the Client and adjust the proceeds of such liquidation / close out against the client's trade liabilities / trade obligations to TRUST. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged



Client Signature

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Date:(dd/mm/yyyy)

to and borne by the client. Such liquidation/ close out may be without any prior reference or notice to the client. While arriving at the amount of margin shortfall or obligation due, the company reserves the right to consider/disregard cheques and securities under clearance. The client is requested to keep a track of their margin positions and ensure that appropriate margins are placed with the Company at all points of time to avoid any forceful square up. Client shall keep and hold TRUST indemnified and harmless from any loss arising out of such closing out / squaring off.

vi) Shortages in obligations arising out of Internal Netting of trades:

If the client has short delivered any securities against his/her/its pay-in obligation which resulted in internal shortage i.e. resulting in failure of delivery of securities to another client of TRUST who purchased the securities and the securities could not be auctioned in the market (self-auction), then close out price will be higher of the trade day's closing rate or 5% above the closing price on settlement (Pay in Payout) day or such other rate shall be communicated to client in writing as may be revised by TRUST from time to time. The close out value which will be arrived after taking into account the close out price as mentioned above, will be charged to seller & then the same will be passed on to the buyer.

vii) Conditions wherein client may not be allowed to take further position / existing position will be closed:

TRUST reserves the right to restrict or refuse execution of any orders for transaction in any scrip if transaction in such scrip is not in accordance with its internal policy or penny / Illiquid securities and/or the directives and guidelines of the Exchanges / Regulators issued from time to time. TRUST may impose trade restrictions on any scrip based on 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. vii) client exceeded its eligible exposure. viii) Account is closed or suspended or such other factors influencing the securities market. viii) If the client appears in the notification received in the list of banned entities issued by any regulatory authority. ix) For disciplinary reasons, misbehavior of the client with the officials of the Company. X) In case the client has any pending civil, criminal actions, proceedings and enquiries against him/her. xi) In case the client is found or suspected to be engaged in market manipulation activities directly or indirectly.

viii) Temporarily suspending or closing a Client's Account at the client's request:

The Client shall request in writing to TRUST for suspension of transactions in Client's account and TRUST may on receipt of such request suspend transactions in the account. The Client shall ensure pay in of funds and securities in respect of all transactions pending to be settled on or before the respective settlement date(s) and shall compulsorily square off all open derivative positions, failing which TRUST without further reference to the Client shall square off all open derivative positions prior to suspending the account. For reactivating the account, the Client has to request in writing to TRUST and on receipt of such request for reactivation, account will be reactivated subject to compliance with prevailing KYC norms.

ix) Deregistering a Client's Account:

TRUST reserves the right to deregister the client in the following instances: i) in the event of any breach of the terms of the mandatory and voluntary client registration document ii) in the event of violation of any Rules, Bye-Laws, Regulations of SEBI or the Stock Exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or on the directions of SEBI / the Exchanges, iii) In accordance with the Company AML policy/regulatory guidelines specified from time to time. iv) Upon closure request received from client. v) Upon closure of business of the Company. vi) In the event of death/insolvency of the client. vii) In case of non-individual clients, closure of business of the client. viii) Upon non-payment of dues by the client in relation to their trades.

All rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to deregistration of the Client shall continue to subsist and vest in / be binding on the respective parties or his/her/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

 **Client Signature**
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Date:(dd/mm/yyyy)

Temporary suspension:-

i) If the client is found to be KYC non-compliant.ii) Action taken in accordance with an order issued by any regulatory authority against the client. iii) If the client initiates any arbitration and/or litigation against the Company. iv) In accordance with the Company AML policy/regulatory guidelines specified from time to time) Failure to meet the pay-in/pay-out obligations. Here the account would be temporarily suspended till the receipt of such obligations.vi) Market or price manipulation.

In case of temporary suspension, the client shall be informed in writing about such action by the Company. Client Acceptance of policies and procedures stated hereinabove:

I/We have fully understood the same and do hereby sign the same. These policies and procedures may be amended or changed unilaterally by the broker, provided the changes informed to me/us with/through anyone or more approved means or method. These policies and procedures shall be read along with the mandatory and voluntary registration document and shall be compulsorily referred to while deciding any dispute or difference claim between me/us and stockbroker before any court of law /judicial/adjudicating authority including arbitrator/mediator, etc.

x) Inactive Accounts:-

Client Account will be considered as inactive if the client does not trade for a period of one year. The identification will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/Credit ledger balance, if any will be transferred to the client within 15 days of identifying the client as inactive. The client has to make written request for the reactivation of their account.



Client Signature

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Name of the Client: _____

Date:(dd/mm/yyyy)

Seal /Stamp Of the stock broker