

## **Client Policies and Procedures**

Please find below the Client Policies and Procedures as per the guidelines of SEBI / NSE.

### **Client Registration**

Before any client can be registered, client due diligence must be carried out. Original PAN card must be verified and compared with the database of Income Tax Dept. Bank account information and proof of residence must be verified with originals and a copy of the documents attested by the client. In-person verification will be conducted and signature of the officer shall be applied. In case the client trades in the CM segment, demat account information shall be collected and attested by the client.

At no time shall an account be opened in a fictitious or benami name for a third party. In case a client cannot provide the required documents, or the documents are suspect, the account shall not be opened.

At no time will cash be accepted for any payment and an offer of payment by cash will not be entertained. Payment by cheque from the client's registered bank account will be considered valid and payment by demand draft will require the client to include a written request to accept the same.

All client data will be reviewed on an annual basis. In case a client becomes inactive, his or her data will be reviewed before changing the status back to active.

To have a clear understanding of the client's control over the assets being transacted, all funds must be provided from the clients registered account and all shares must be provided from the client's registered account.

In case a client wishes to allow another person to operate the account, the client shall define transaction limits for the operation by the agent. There should be a written declaration on Rs.10 stamp paper that the client wishes to allow the agent to operate the account and the rights and responsibilities of both the client and agent shall be mentioned. Verification with the client of the validity of the agreement with the agent shall be necessary for the due diligence.

Clients who provide suspicious documents or have been restricted by SEBI from participation in the capital markets are liable to be de-registered.

### **Penny Stock Orders**

Small stocks having circuit limits of 5% or 10% or 20% are extra risky and each client should be aware and take extra care when investing in such securities. The terminal will not accept orders beyond the circuit limits prescribed, and in case the client tries to place an order outside the circuits, the terminal operator shall convey the information to the client regarding the price range within which orders can be placed.

## Exposure Limits

We allow clients to take positions up to 5 times the balance available in their client account. Clients who request exposure against their securities held with us can receive additional exposure limits based on their available securities. Only selected securities qualify for margin exposure and haircuts of 50% will be imposed. In case the client purchases any security on a delivery basis, the amount shall be paid before the pay-in date (T+2).

## Brokerage

Standard brokerage rates are 0.45% for delivery based transactions and 0.05% on both sides for squared off trades. For F&O, brokerage is 0.03% for equity and index futures and 0.02% for equity options (based on the strike price) and a flat Rs.49 per contract for index options.

## Late Payment Charges and other Penalties

There is a late fee penalty for clients who do not pay for their purchases or trading debits within T+2. The penalty is Rs.30 per Rs.10,000 owed or part thereof and is charged on a weekly basis.

In case a client fails to deliver the shares and the trade goes to auction, the penalty imposed by NSE will be charged to the client account.

We also charge penalties for non-maintenance of applicable margin for Future and Options positions based on the penalties imposed by NSE.

## Closure of Positions

Surya Shakti has the right to sell client securities or close client positions, without giving notice to the client, on account of non-payment of the client's dues. This shall be limited to the extent of settlement / margin obligation. To the extent possible, the client will be informed in writing prior to this action. Especially in the case of F&O margins, time may not permit such notice. As a courtesy, an attempt to give advance notification will be made via SMS to the client's registered cell phone number.

SEBI prohibits Surya Shakti from providing funding on behalf of the client. In such case, the company may need to sell the shares of a client to clear the debit balance, and this can be done without intimation to client. Therefore, clients are advised to clear the balance on a daily basis.

Once the margin limits are exhausted, a client will not be allowed to take further position until s/he provides additional margin. If the client is unavailable or unable to provide additional margin, Surya Shakti may close the position without further intimation to the client. Against a written pledge by the client to provide adequate margin, the Company will allow up to one hour for the client to provide additional margin. Valid margin can be electronic funds, DD, or demat securities.

## Auctions and Shortages

Surya Shakti provides a trade guarantee for the client. This means we guarantee all purchases of shares by the client through Surya Shakti are valid and the client can immediately sell those shares in the market through our terminal. We will always provide the shares to the client and in case we are unable to provide the shares due to an Exchange problem, we will accept any auction costs that occur.

In case the client fails to deliver the shares, the auction charges as determined by NSE will be charged to the client account. In case the client fails to deliver the shares and the NSE does not auction the position due to internal netting, the Company will buy the shares in the open market (on or after T+2) in the account of the client who failed to deliver. The client additionally will be responsible to provide any corporate benefits related to the shares that were not delivered.

## Account Closure and Inactive Status

Any client who wants to close their account should give a request in writing. The client can temporarily close the account, if a client gives a format for blocking of account.

Any client who does not make a transaction for an extended period of time will become “inactive.” Any client who does not transact once in a three month period can be moved to inactive status. Inactive clients will not receive quarterly reports as they are not transacting.

Any client who did not respond to our personal contact / telephonic messages / letters asking him to furnish certain data required as per the guidelines of SEBI/NSE shall also be treated as inactive until we get the required documents from him.

In case an inactive client approaches at a later date to trade again, his application has to be re-verified with the latest rules and regulations of SEBI/NSE. He should be advised to submit all the required documents due to change in the rules of the regulatory authorities and prevailing as on date. Additionally, his address and bank details shall be reconfirmed. On receipt of the required documents, the account will be reactivated.

On receipt of the information of the demise of any client, the account should be treated as inactive and no trades should be done in that account. The nominee of the client shall submit the death certificate and any other relevant documents to settle the account. While settling the account:

- (a) All dues lying in the client account are to be identified.
- (b) Any shares of the client lying with us can be transferred to the nominee. The nominee can open a demat account with any Depository Participant and intimate us to transfer the shares into that new demat a/c. Alternatively, the nominee can open a trading account and have the shares transferred for immediate sale.
- (c) Any cash balance lying in the client account should be paid to the nominee by way of an account payee cheque only on proper identification of the nominee.

Before accepting the claim lodged by the nominee, a legal opinion shall be taken and kept on file.

## Contract Notes

The client may receive contract notes electronically or physically. If the client desires electronic contract notes, the client must give an authorization in writing and it shall be signed by the client only and not by any authorised person on his behalf or holder of the Power of Attorney.

In case the client opts for physical contract notes, a courier fee of Rs.10 per date traded will be debited to his/her account at weekly intervals. In case the client opts to receive the contract notes on a weekly basis, the fee will be waived, subject to compliance with all SEBI and NSE guidelines.

## Internet Trading

A client may become an internet client and trade online by filling out an internet trading application in addition to the regular documentation.

## Shares Movement and Running Account Authorization

Clients may wish to keep their shares with Surya Shakti towards margins for trading or to facilitate their trading. In order to do so, the client must give a letter in the proper format requesting the company to keep the shares on their behalf.

As per SEBI instruction, the shares should be moved back to the client demat account at least once in a quarter. At that time, the client must have an operative demat account or else the shares will bounce back to the Company. If the shares bounce back, the same may be sold without warning to the client as SEBI restricts the company from holding the shares of the client. At all times, the client should have an active demat account and should keep the company apprised of its correct details.

Additionally, clients may wish to keep their funds with the company as margin or to facilitate their trading. A client may do this by giving the proper format requesting the company to keep his/her funds in its safe custody. Regardless of the client request, the Company will make quarterly settlement of all funds as per SEBI mandate.