

POLICIES AND PROCEDURES FOR CLIENT DEALINGS – ALL EXCHANGES – MANDATORY

**(as required by SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009)
Date July 31, 2013 – Version 2013.001**

Policy A. Refusal of orders for penny / illiquid stocks

Ratnakar Securities Private Limited (RSPL) does not place any restriction on trading of any listed security on any of the exchanges unless its restricted by Exchange(s) / SEBI. Sale of all securities held in the demat account of the clients is allowed

Policy B. Setting up client's exposure limit

RSPL sets the exposure allowed to the client based on the combination of the following factors:

1. The funds and securities of the client lying with RSPL in the form of margins/ balances in the bank and demat accounts of the of the client for which Power of Attorney has been given to RSPL
2. Past track record of the client in their dealings
3. Net worth/ goodwill of the clients
4. Recommendations of the Branch Manager/Authorized Person

The decision of the Director on the matter is final

Policy C. Applicable brokerage rate (all securities/ all segments/ all exchanges)

Based on the track record of the clients, past and future volume expectations and the recommendations of the Branch Manager/Authorized Person, the brokerage of the client is fixed on case to case basis and tariff sheet made and however it should not exceeds the official scales permitted by Exchanges.

Policy D. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period not resulting in funding by the broker in contravention of the applicable laws

In situations where the client funds are not made available to RSPL on the settlement day or the day on which the funds are due, Penalty / Delay Payment Charges of 18% may be charged to the clients (subject to it charging being in a manner not in contravention to applicable laws). Where the funds of the clients are converted into interest bearing forms like FDRs, the interest earned on such FDRs shall be credited to the clients

All penalty/ fees/ fines / charges levied by any Exchange/ Clearing House/ Clearing Corporation/ SEBI/ any regulator on RSPL due to the acts/ actions/ orders/ trades of the clients will be recovered from the clients

Policy E. 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 (Limited to the extent of settlement/ margin obligation)

In case the client fails to meet his margin/ settlement obligations on same being due, the member shall have the right to sell clients' securities or close clients' positions in a manner as permitted in the rules/ regulations/ bye laws/ circulars of the concerned exchanges

Policy F. Shortages in obligations arising out of internal netting of trades

In case of internal shortage positions, the same shall be sent for self auction facility where available. In case where the self auction facility is not available, the positions would be closed out rates which available in file provide by exchange or 20% above the closing price.

Policy G. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client

The risk management policy of RSPL is put on the website of the client. Based on the said policy, the member may not allow the client to take further position in the market. Further, the existing position of the client may be closed and the securities of the client lying with the trading member may be sold when:

1. The client fails to meet his commitment for deposit of funds/ securities (including cases of cheque return)
2. Where the client is unable to provide funds/ securities in a manner that can be transferred to the exchange immediately for pay-in/ margin obligations
3. When the trading member has reasonable grounds to believe that the client is involved in illegal/ unethical/ undesirable activities
4. In case of high market volatility where the current margins of the clients with the Trading Member does not cover the value at risk of the client

Policy H. Temporarily suspending or closing a client's account at the client's request

At the written/ verifiable verbal request of the client, the trading account of the client would be put in the suspended mode. The said account would remain in suspended mode till such time the client requests for the reactivation of account

Policy I. Deregistering a client

A client will be deregistered on the following situations:

1. Where the client has defaulted at the trading member
2. When the clients request for the same

This policy has been adopted by Ratnakar Securities Private Limited as on July 31, 2013 and may have been revised over time. Latest version of the policy would be available on www.ratnakarsecurities.com

Policy J. Dormant / In-active account:

In any account, in which no transaction has taken place during the period of 6 months from the date of last transaction, the same shall be considered as Dormant/In-active. Such transaction date may relate to any of the following date, whichever is later.

- (a) Entry related to contract or bill generation for buy/sell transaction or
- (b) Entry related to payment of funds to securities by clients or
- (c) Entry passed by the broker by way of JV due to 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 6 months shall be counted from the last day of respective month in which any of the aforesaid last transaction took place. The funds or securities lying in dormant / inactive account with the broker shall be refunded / returned immediately on demand by the clients. In order to reactive the account, client needs to instruct the Broker in writing at least 2 days in advance at Ahmedabad Office. The Broker will try to promptly reactivate the said account subject to fulfillment of such conditions as broker may consider fit and proper. However, broker may, in its own discretion to waive/reduce the period of 2 days as the circumstances may warrant on case to case basis.

Policy K. Sell of Securities or closing open position :

"As per the SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019 on Handling of Client's Securities, Ratnakar Securities Pvt. Ltd. (Now known as "RSPL") shall transfer the securities purchased by the client to client's demat account within 1 working day of the pay out if clear payment is received from the client and if the client fails to make the payment in full then RSPL shall transfer the securities to the "client unpaid securities account (CUSA)". The securities kept in the CUSA shall either be transferred to the deamt account of the client upon fulfillment of its funds pay-in obligation or in case of the payment is not received by the client it shall be disposed off in the market by RSPL within 5 trading days after the date of pay out without any notice to the client to the extent of debit balance of the client and/or as per Ratnakar Securities Private Limited's Risk Management policy and balance securities shall be transferred to the respective client's demat account."

