

**a. Refusal of orders for penny stocks:**

Although, the term 'Penny Stock' has not been defined by BSE/NSE or any stock exchanges, SEBI a penny stock generally refers to a stock which has following mentioned characteristics:

- Has small market capitalization;
- Trades at a price less than its face value;
- Has unsound fundamentals;
- Is illiquid (A list of illiquid securities is jointly released by NSE & BSE from time to time).
- INDIA ADVANTAGE SECURITIES PVT. LTD. recognizes that it is client's privilege to choose shares in which he/she would like to trade. However, INDIA ADVANTAGE SECURITIES PVT. LTD. like to have special attention to dealing in "Penny stocks".
- INDIA ADVANTAGE SECURITIES PVT. LTD. may refuse to execute any clients orders in penny stocks without assigning any reason for the same.
- Any large order for purchase or sale of a "Penny stocks" should be referred to Head Office -Dealing before such orders can be put in the market for execution.
- Clients must ensure that trading in "Penny stocks" doesn't result in creation of artificial volume or false or misleading appearances of trading . Further, clients should ensure that trading in "Penny stock" doesn't operate as a device to inflate or depress or cause fluctuations in the price of such stock.
- Clients are expected not to place orders in penny stocks at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of INDIA ADVANTAGE SECURITIES PVT. LTD.
- In case of sale of penny stocks, client should ensure delivery of shares to INDIA ADVANTAGE SECURITIES PVT. LTD. before the pay-in date.
- In case where stocks are referring to Z group/T group restriction or restrictions on ASM/GSM securities appearing in SMS list.

**b. Setting up client's exposure limit:**

- Exposure limit for each client is determined by the Risk management Department based on Net-worth information, client's financial capacity, prevailing market conditions and Margin deposited by client in the form of funds/securities with the INDIA ADVANTAGE SECURITIES PVT. LTD. These limits may be set exchange-wise, segment-wise, & scrip-wise.
- INDIA ADVANTAGE SECURITIES PVT. LTD. retains the discretion to set and modify from time to time any clients exposure limit decided as above.
- The limits are determined by Risk Management Department based on the above criteria and payment history of the client in consultation with Sales/Sales trader.
- Whenever, any client has taken over or wants to take exposure in any security, INDIA ADVANTAGE SECURITIES PVT. LTD. may call for appropriate margins in the form of early pay-in of shares of funds before or after execution of trades in the Cash segment. In case of any margin shortfall, the clients are told to reduce the position immediately or requested to deposit extra margin to meet the shortfall. Otherwise, INDIA ADVANTAGE SECURITIES PVT. LTD. may refuse to trade on behalf of such client in its own discretion.

**c. Applicable brokerage rate:**

- The applicable brokerage rate is mentioned in the Client registration form and any future change in the brokerage rate is with the written consent of the client.
- The maximum brokerage chargeable will not exceed the rate as prescribed & permitted by the Exchange & SEBI. Other charges like exchange transaction charges, STT, GST, Stamp Duty, KRA charges, Cheque return charges may also be recovered.

**d. Imposition of penalty / delayed payment charges by either party, Specifying the rate and the period:**

- Penalty and other charges levied by Exchanges pertaining to trading of the client shall be recovered from the respective client.
- If there is a delay on the part of the client in satisfying his/her margin obligation or settlement obligations, then, INDIA ADVANTAGE SECURITIES PVT. LTD. shall levy penalty at the rate of 0.10% per day on such shortage amount for the delayed period on such client. INDIA ADVANTAGE SECURITIES PVT. LTD. shall recover such delayed payment charges from the client by debiting the client's account.

- No interest or charges will be paid by INDIA ADVANTAGE SECURITIES PVT. LTD. to any client in respect of retention of funds or securities towards meeting future settlement obligations and in respect of running account authorizations.

**e. Right to sell clients' securities or close clients' positions, without giving notice to the client, on account of nonpayment of client's Dues: (limited to the extent of margin / settlement obligation)**

INDIA ADVANTAGE SECURITIES PVT. LTD. shall have the sole discretion to square off the open position of the Client and/ or sell clients' securities (including securities maintained as margin with INDIA ADVANTAGE SECURITIES PVT. LTD. and securities lying in client's beneficiary/demat account) in case the Client fails to meet its settlement/ margin obligations in time. The specific securities to be sold and the positions to be squared off shall be decided solely by INDIA ADVANTAGE SECURITIES PVT. LTD. Further, the square off of client's open position or the selling of securities may be executed on best effort basis on such Exchanges and at such price as may be decided by INDIA ADVANTAGE SECURITIES PVT. LTD. INDIA ADVANTAGE SECURITIES PVT. LTD. shall have no obligation of communicating the same to the Client. INDIA ADVANTAGE SECURITIES PVT. LTD. shall not be responsible for any losses, delays, brokerage, other charges, margin shortfall penalties etc. incurred by the Client due to such squaring off of the open position of the client.

INDIA ADVANTAGE SECURITIES PVT. LTD. reserves the right to square off client's open positions or sell clients' securities under following circumstances:

- Where the limits given to the Client have been breached.
- Where the Client has defaulted on their existing obligation and/or had failed to make payments/deliver securities to INDIA ADVANTAGE SECURITIES PVT. LTD. within the stipulated time period.
- Where the margin or security placed by the Client with INDIA ADVANTAGE SECURITIES PVT. LTD. falls short of the applicable minimum margin as may be required to be maintained by the client.
- Where Mark to Market Loss on the open position has reached 80% of the margins placed with INDIA ADVANTAGE SECURITIES PVT. LTD. and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss.
- if the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time. INDIA ADVANTAGE SECURITIES PVT. LTD. shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.

**f. Shortage in obligations arising out of internal netting of trades:**

- To determine the net obligation of a broker/ trading cum clearing member (for securities and funds) in a settlement, clearing house does the netting of trades at the broker level. It is possible that a broker's net obligation towards clearing house may be nil but due to default by one or more clients in satisfying their obligations towards the broker, the broker internally might have shortages to fulfill its obligation towards the other clients. In such a situation, India Advantage Securities Pvt. Limited will close out the shortage of Securities @ 20% above the closing price on the Auction Day in case of Trade to Trade Scripts and 10% in case of other scripts. In case of the purchaser he/she/it will receive a credit of the amount calculated as per the above formula and seller client account shall be debited by the same amount. Process of self auction shall be followed through the ICCL

**g. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of the client (as per SEBI circular No. CIR/HO/MIRSD/DOP/CIR/P/2019/75, dated 20th June, 2019)**

- India Advantage Securities Pvt. Ltd. have margin based RMS system. Client may take exposure upto the margin available with us. Client may not be allowed to take position/ the existing position of the client is also liable to square off/close after appraising the extreme conditions prevailing in the market on such instance including.
- Extreme volatility in the market or in particular scrip or in the F&O segment.
- If there is shortfall in the margin deposited by client with INDIA ADVANTAGE SECURITIES PVT. LTD.
- If there is insider trading restrictions on the client.
- If there are any unforeseen adverse market conditions or any natural calamities affecting the operation of market.
- If there are any restrictions imposed by Exchange or Regulator on the volume of trading outstanding positions of contracts.
- If the client is undertaking any illegal trading practice or the client is suspected to be indulging in money laundering activities.
- If INDIA ADVANTAGE SECURITIES PVT. LTD. has reached its limit in that scrip.

- If the clients has breached the client-wise limit.
- If the client has taken or intends to take new position in a security which is in the ban period.
- If due to abnormal shortfall in the market, if market are closed.

**h . Temporarily suspending or closing a client's account based at the Client's request:**

- Any client desirous of temporarily suspending his or her trading account has to give such request in writing to the management. After management's approval, any further dealing in such client 's account will be blocked. Whenever, any suspended account wants to resume trading, request in writing should be made to management and management may ask for updated financial information & other details for reactivating such account. After receiving necessary documents, details etc. and approval from the management, client is reactivated & is allowed to carry out transaction.
- Similarly, any client desirous of closing his/her account permanently is required to inform in writing and the decision in this regard is taken by management. After necessary approval from the management, the client code is deactivated. Only after scrutinizing the compliance requirements and "no pending queries" confirmation is taken, securities and funds accounts are settled.

**i. Deregistering a Client**

INDIA ADVANTAGE SECURITIES PVT. LTD. may, in its absolute discretion, decide to deregister a particular client. The illustrative circumstances under which INDIA ADVANTAGE SECURITIES PVT. LTD. may deregister a client are given below.

- SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market.
- Such client has been indicated by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market.
- Such client is suspected of indulging In illegal or criminal activities including fraud or money laundering.
- Such client's name appears in the UN list of prohibiting entities or SEBI debarred list.
- Such client's account has been lying dormant for a long time or client is not traceable.
- Such client has declared insolvent or any legal proceedings to declare him/her as such have been intended.
- Such client has been irregular in fulfilling obligations towards margin or settlement dues.
- Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of INDIA ADVANTAGE SECURITIES PVT. LTD. or may act as detriment to INDIA ADVANTAGE SECURITIES PVT. LTD.'s prospects.
- Any outstanding trade related dues in the client's account will be communicated and collected from the client and the client will be liable to pay such trade related dues immediately on receiving such communication.
- When the activities of the client are not justified by its profile.

**j. Policy for Inactive Accounts:**

Client account will be considered as inactive if the client does not execute a single trade during the period of 12 months from the last trade. In such cases, the client has to make a written request for reactivation of his trading account, with recent proofs and any upgradation in the KYC form.

**Return of client assets:**

- When a client is declared as inactive all the securities of the client are transferred to the demat account of the client. The funds belonging to the client shall be returned to the client. If for any reason the funds and securities of the client cannot be transferred to the client's bank account or demat account then the same shall be transferred into a separate account of the organization. The funds and securities shall be held in the separate account until the time the organization hears from the client or their representatives.

Any trade related outstanding dues in the client's account will be communicated and collected from the client and the client will be liable to pay such dues immediately on receiving such communication.

I/We have fully understood the above and do hereby sign the same. These policies and procedures may be amended unilaterally by the broker, provided the amendment is informed to me / us and is preceded by a notice and consent is obtained from clients as per applicable laws, rules and regulations of exchange/SEBI. These policies and procedures shall always be read alongwith this client registration form and shall be referred to while deciding any dispute or claim between me / us and broker before any regulator or arbitrator or court of law.

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(Signature of the constituent)