

## POLICIES & PROCEDURES

AS PER SEBI CIRCULAR NO.MIRSD/SE/CIR-19/2009 DATED 3 DEC.,2009 – MANDATORY

For client , the word 'he' also means 'she' and 'it' as the case may be and the usage of masculine gender in this agreements also refers to the feminine gender or the neutral gender as the case may be, AUM CAPITAL MARKET PVT LTD. hereinafter for the sake of brevity shall be referred to as "ACMPL".

### 1. Penny Stocks :

ACMPL, may refuse execution of orders in 'penny stocks' means stocks which are appearing in the list of illiquid securities issued by the Exchanges from time to time or stocks which are quoting at less than Rs.10/-, as a part of their due diligence and risk management policy. The client agrees to the same and undertakes it will not question the same.

The client understands and agrees that any trade in any illiquid scrip/illiquid contract would be solely at client's risk in terms of traded price and lack of liquidity. The client agrees and undertakes that he will not hold ACMPL responsible for any loss or damages, if any, incurred due to trading in such illiquid scrip/illiquid contract. Decision of ACMPL will be binding on the client and will be final. The client also agrees that he will not deny such trades if the same has resulted in a loss.

### 2. Setting Up Client's Exposure Limits:

1. ACMPL will normally give the exposure, equivalent to a pre-determined multiple/times of the net credit balance in the ledgers (across all segments), and the value of the collaterals given by the client (after applying appropriate hair cut). The level of exposure granted to the client will also depend on the track record of the client and/or market conditions and/or regulatory directives. The client agrees to abide by exposures norms decided by ACMPL, from time to time.
2. The client understands and agrees that he/she/it cannot claim any minimum level of exposure, as a matter of right.
3. The client agrees that, ACMPL has the discretion to decide the stocks which can be provided as margin/collateral. In case of shares given as margin/collateral by the client, ACMPL has the right to apply appropriate hair cut, at their sole discretion, while arriving at the value of the collateral shares. This will depend on the shares offered and/or market conditions and/or the track record of the client's dealings with ACMPL. The client will not have any objection on the hair-cut percentage decided by ACMPL, from time to time. The client understands and agrees to the same.
4. The client understands and agrees that, under normal market situations, the previous day's closing price will be taken as the base price for arriving at the value of the securities and the same will be done on a continuous basis. However, during volatile market conditions, ACMPL has the discretion to change the valuation method while arriving at the value of the shares given as margin/collateral.
5. However ACMPL reserves the right, at its sole discretion, to modify on the level of exposure to be given to a particular client and/or change the method of calculating the exposure, without giving any advance notice/reason to the client. The client understands and agrees to the same.
6. The client understands and agrees that the level of exposures, granted by ACMPL, may vary from client to client and he will not question the same.
7. In case ACMPL changes exposure policy the same would be intimated to the concerned branches. The client also agrees to get in touch with the concerned branch, on a daily basis, to keep track of any such changes.

### 3. Applicable Brokerage Rate

The rate of brokerage varies from clients to clients. The applicable brokerage is fixed with the mutual consent of the client, which is subject to further modification only after due consultation with the client

#### a. For Capital Market Segment:

The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is hereby further clarified that where the sale / purchase value of a share is Rs.10/- or less, a maximum brokerage of 25paise per share will be collected.

**b. For Option contracts:**

Brokerage for option contracts would not exceed Rs. 100/- per lot single side or such other rates as provided by the exchanges.

**4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period (This must not result in funding by the ACMPL in contravention of the applicable laws)**

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 agreement / 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 time to time and client will be kept informed about the rate of such penalties & fines. Similarly in case of non receipt of full payment of value of delivery purchased, margin imposed (initial + MTM) interest will be charged at 21% p.a. calculated on daily basis on shortfall amount till the date of actual realization of money.

In case of any penalty being imposed on ACMPL due to client's fault, the same is debited to his account and a verbal notification of the same is given.

ACMPL provides exposure against the upfront margin received in the form of cash / collateral from the client and the client also has the prerogative to demand withdrawal of cash and collaterals at the discretion. ACMPL shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collateral margins with ACMPL.

**5. 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 (This shall be limited to the extent of settlement/margin obligation)**

1. The client agrees and undertakes that it shall settle the transactions, within the exchange specified settlement time, by making the requisite payment and/or deliver the shares.
2. In case the client fails to settle the transactions within the settlement date, then ACMPL has the discretion to square off the open positions, at an appropriate time, as it have the right to decide on the timing or the open positions that needs to be closed. The client understands and agrees to the same and undertakes that it will not hold ACMPL responsible for any loss or damages arising out of such square offs.
3. After such square offs of open position by ACMPL, as mentioned in above clauses, if there is a debit balance, the client shall pay the same immediately. However, if the client does not clear off the debit balance, ACMPL shall have the right to liquidate the shares of the client (kept as collateral/margin) to the extent of the debit balance, without any intimation to the client. The client also agrees that it does not have the right to decide on the timing of such liquidation of collateral/margin shares and the shares that needs to be sold. The client undertakes that it will not hold ACMPL responsible for any loss or damages arising out of such selling.

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

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a. The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/ Payout Day. The securities delivered short are purchased from market on T +3 day which is the Auction Day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies ) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.
- b. If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T +3 day or Auction day on Exchange. Where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/ credits shall be as per Exchange Debits and Credits after deducting exchange penalties.
- c. In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction.

**7. Conditions under which a client may not be allowed to take further position or the ACMPL may close the existing position of a client.**

ACMPL 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 stock ACMPL / exchange/ SEBI and any other reasons which ACMPL may deem appropriate in the circumstances stock broker / exchange/ SEBI and any other reasons which ACMPL may deem appropriate in the circumstances.

1. For non-payment or erosion of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation / close out, if any, against the client's liabilities/ obligations.
2. Any order which is executed without the required Margin in the Client's account or the brokers exposure is more than 90% and above so no fresh trade will be taken.
3. The client hereby authorizes the Stock Broker to square up all his outstanding positions at the discretion of the Stock Broker, which are not marked for delivery 15 minutes before the closing time of the normal market or if the client's margin is evaporated by 70% in any of exchanges, ACMPL reserves the right to square off positions.
4. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding 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 hitting circuit filters or for any other reason as prescribed or instructed by SEBI.
5. The stock broker is entitled to disable / freeze the account or trading facility / any other service if, in the opinion of the stock broker, the client has committed a crime, fraud or has acted in contradiction of this agreement or / evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the stock broker so apprehends.

Any profit/loss arising out of these transactions 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 out the account or suspend the trading through client's account for the period as specified in the request in written and duly signed by him.

ACMPL can withhold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension.

**9. Deregistering a client**

A client is at liberty to deregister himself / itself from the member. For that purpose client will be liable first to settle his 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. And in case of surplus arising out after netting of account, client shall be entitled to receipt of the same. The member shall also have power to deregister the client after settling his account at its sole discretion.

I / We have clearly understood and agree to abide by aforesaid policies and procedures.

I / We also understand and agree that these policies and procedures can be changed by ACMPL from time to time subject to posting of the amendments and posting therein on website of ACMPL ([www.aumcap.com](http://www.aumcap.com)) and their applicability with prospective effect.