

POLICIES & PROCEDURES

A) Refusal of orders for penny stocks:

Penny stocks are those stocks which are not very liquid in nature / which are very thinly traded in the Exchanges and trade at a relatively low price and with low market capitalization. These types of stocks are generally considered to be highly speculative and of high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. As per company policy, "Penny Stocks" will include those scripts which appear in the list of illiquid securities issued by the Exchanges every month. The list is hosted in our website. The company shall have the absolute discretion to accept, refuse or partially accept any buy or sell orders for execution. The trades done in such stocks will be monitored. If any client is found to be indulging in trading in such stocks in high volume (as a % to the total market volume), the Broker may require client to submit adequate clarification. As per its due diligence measures, if found improper, (i.e. If found that the trading is being done with an intention to manipulate market price or create false volume in the market) the Broker will disallow the client from trading in those scripts.

B) Setting up client's exposure limit:

In Cash segment, we may provide a exposure limit to a client which would be a multiple of the clear ledger balance in the account of the client plus value of paid up collaterals computed after appropriate haircut. The value of the "multiple" and the "haircut" shall be decided by the company based on Market Volatility and quality of collaterals.

It is not compulsory to collect upfront margin from clients for Cash segment. Generally the client is allowed to trade upto certain limit, at our discretion, depending on various factors like financial credibility of the client, request from sub broker regarding setting client's exposure limit etc.

In Futures & Options segment, exposure limit of each client is set, based on Margin money given by the client, as per the Exchange Regulations. Upfront margin is collected from client.

Achievers Equities Ltd shall have the prerogative to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past conduct of each client.

C) Applicable Brokerage Rate:

The Trading Member is entitled to charge brokerage within the limits imposed by exchange which at present is as under:—

a. For Cash Market Segment:

The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealing on the Capital Market Segment of the Exchange shall be 2.5% of the contract price exclusive of statutory levies.

b. For Option contracts:

Brokerage for option contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. It is hereby further clarified that brokerage on the options contracts shall not exceed 2.5% of the premium amount or Rs 100/- (per lot), whichever is higher exclusive of statutory levies.

c. For Future contracts:

Brokerage for future contracts shall be charged on the value at which the securities are bought or sold. It is hereby further clarified that brokerage on the future contracts shall not exceed 2.5% of the Contract value exclusive of statutory levies.

Service Tax on brokerage value will be levied in addition to brokerage as applicable. Securities Transactions Tax is levied on Transaction value as prescribed by Government.

The Client is charged brokerage as per the scheme selected by him. The same is subject to change at the mutual understanding of the parties.

d) Imposition of Delay payment charge:

As per the Regulation, the client should pay his pay-in obligation of funds on or before one day from the Exchange Pay in day.

As per our policy, in capital market segment, if the client fails to provide clear balance in our designated bank a/c towards his dues within T + 2 day, a Delay payment charge not exceeding 24% p.a. on the dues will be levied on the client.

In the F&O segment, if the client fails to provide clear balance in our designated bank a/c towards his dues within T + 1 day, a delay payment charge not exceeding 24% on the dues will be levied.

AEL may impose fines / penalties for 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, at such rates and in such form as it may deem fit. Further where AEL has to pay fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client.

Hence the client is advised to make timely payment. Apart from imposition of charges we may not allow the client to take further Buy position.

Interest Free Deposits:

AEL shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collateral margins with the company.

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:

AEL shall have right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or

close out client's open positions, without giving notice to the client where there is a delay/ failure of the client to meet the pay-in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk in the dynamic market conditions.

a. Unpaid Securities in Capital Market :

i. In case of unpaid obligation on T+5, AEL may sell the unpaid/ partially paid securities. In addition AEL may sell the collaterals deposited by the client towards margins and/ or paid securities purchased by the client in earlier settlements where the sale of proceeds of unpaid securities are inadequate to cover the pay-in obligations and/ where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.

ii. AEL may follow the LIFO method for liquidation of securities but it may not binding on it to follow this method in all cases.

b. The margin shortfall in F&O:

i. Positions of the client may be closed out to the extent of margin shortfall on the T + 1 basis.

ii. While computing margin shortfall, value of unapproved securities shall not be considered.

iii. As per the current Exchange requirements, the Member Broker is required to maintain a 50:50 ratio between cash and collaterals margin deposited with the Exchange. AEL shall therefore have the prerogative to insist for at least 50% of margin in cash and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall and close the F&O position where it finds the deviation. However, sales made in capital market segment are not considered while closing F&O positions on T + 1 basis due to margin shortfall.

c. Intra-day Positions :

AEL shall have right to close out any intra-day positions taken by the client after a defined "Cut-off" time (Presently 15 minutes before close of market).

d. General :

i. While selling the securities/ closing the clients positions, AEL may take into account the sales made by the client, positions closed by the client or collections received from the client till a cut-off time (presently 10.45am).

ii. While selling the securities/ closing the clients positions, AEL may not take into consideration Cheques/Bank drafts/Pay orders deposited by the client with AEL until clear proceeds of such instruments are received by AEL in its bank account.

iii. AEL shall have the right to sell client's securities or close out client's open positions but it shall not be under any obligations to undertake this exercise compulsorily. AEL shall therefore not be under any obligation to compensate/ or provide reasons of any delay or omission on its part to sell client's securities or close open positions of the client.

F) Shortages in obligations arising out of internal netting of trades:

In case of shortages in obligations arising out of internal netting of trades we follow the same policy as followed by Exchange. Short shares are bought in the market at market rate in the defaulter client code. Shares are delivered to the Buyer client on payout day. The ledger of the client who failed to deliver shares is debited for such market purchase.

G) Conditions under which a client may not be allowed to take further position:

Under the following conditions a client may not be allowed to take further position,

1. The client has a continuous due / debit balance - Such clients are allowed to close out his open position but is not allowed to take any new position.
2. The client has not able to meet his pay-in obligation in cash by the schedule date of pay-in
3. The client has not met Market to Market loss in cash.
4. The "open" positions in a contract exceed or are close to market wide cut-off limits.
5. The client's position is close to client-wise permissible "open" positions
6. The client had defaulted in meeting cash or securities obligation leading to compulsory close out of the position.
7. If the exchange is not allowing any further position in that script.
8. If brokers limit of taking exposure in that particular script comes to and end.
9. Based on happening of the event company has the risk perception that further trading in the securities/contracts may not be interest of its clients and/or the market.
10. If the margin deposited by the client is not according to the exposure of the client.

H) Temporary suspending or closing a client's account at client's request AEL may carry a periodic review of the client accounts and may suspend the accounts from Trading in the following circumstances:

1. Where the client is inactive for more than 6 months
2. Where the client has not cleared the naked or uncovered debits which are more than 7 days' old.
3. Where the account is under investigation by any regulatory body .
4. Based on the recommendations made by the Branch Manager due to excessive speculations, un-cleared balances.
5. Physical documents are received back undelivered due to reasons like "no such person", "addressee" left, refusal to accept mails.
6. Non submission of updated KYC and / or non updation of communications details viz., email id, Mobile no, Land line details or it is found to be belonging to a third person.

7. Client lodges a complaint either directly with company or through Exchange relating alleged unauthorized Trades being executed in the account.

8. On notices received from statutory, Government or Local authorities and Income Tax, Service Tax, a Judicial or a Quasi Judicial authority, etc

9. Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the client.

AEL may also suspend the account based on the written request received from the client.

I) De-registering a client

AEL may de-register the client account based on action taken by SEBI/NSE/BSE/MCX-SX/USE/DSE/ Any other Regulatory Authority or being part of list of debarred entities published by SEBI.

1. The company may also initiate action for deregistering a client on basis of information found in sites of CIBIL, Watch out investors,

world check or client having suspicious back ground, link with suspicious organization, etc.,

2. The company shall have right to close out the existing positions, sell the collaterals to recover its dues, if any, before de-registering the client.

3 On the Death/lunacy or other disability of the Client.

4 If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the security.

5 If the Client is in breach of any term, condition or covenant of this Agreement.

6 If the client forms a part of the list of debarred entities published by SEBI or <http://www.un.org/sc/committees/1267/consolist> and / or any action is taken by NSE/BSE/MCX-SX/USE/DSE / SEBI on the client.

7 If the client is suspended from trading by any Regulatory authorities

