

Saroj Securities

309, Kan Chamber, 14/113 Civil lines, Kanpur-208001

SEBI Regn No: INZ 000224427, Phones: 0512- 2338334,2338433

Compliance Officer: Sanjay Agrawal, Ph: 0512 - 2338433

Email: sanjay_ashi@yahoo.co.in

Mandatory Document dealing with Policies and Procedures

1. Penny Stocks

Saroj Securities shall be at liberty to refuse trade in Penny Stocks i.e. illiquid securities identified by the Exchanges. Penny stock shall include any illiquid stocks as declared by the stock exchanges and/or illiquid options and/or dealing in far months options and/or highly speculative stocks and/or stocks having low market capitalization and/or securities which are not in dematerialized form and/or securities which are restricted/ not permitted by the stock exchanges/SEBI/Saroj Securities.

2. Client's Exposure Limits

Saroj Securities may provide an exposure limit for intraday and delivery based purchases by a client which would be a multiple of the clear ledger balance in the account of client plus value of the client collaterals computed after appropriate haircuts.

Saroj Securities may provide exposure for F & O/Currency Derivative based on availability of initial margin (SPAN + EXPOSURE) in the form of cash and approved securities (with appropriate hair cuts).

Saroj Securities shall have the prerogative to allow differential purchase limits and sell limits varying from client to client, depending on client worthiness, integrity and past conduct of each client.

The Client shall abide by the exposure limits, if any, set by Saroj Securities or by the Exchanges or Clearing Corporation or SEBI From time to time

3. Brokerage Rate

The Client shall pay to Saroj Securities brokerage and statutory levies as applicable from time to time and as they apply to Clients account, transactions and to the services that Saroj Securities render to the client. Saroj Securities shall not charge brokerage more than the maximum brokerage permissible as per Rules, Bye-Laws and Regulations of Exchanges/SEBI. However, the maximum brokerage chargeable for each transaction is

- a) Cash/Capital Market segment shall be 2.5% of the transaction value excluding statutory levies.
- b) Futures contracts in derivative segment shall be 2.5% of the transaction value excluding statutory levies.
- c) Option contracts in derivative segment shall be 2.5% of the premium amount or Rs 100 whichever is higher.

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

In case of delay in payment by client to Saroj Securities on its due date , Saroj Securities in respect of such delayed payment will be entitled to recover late / delayed

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payment charges from due date . The said delayed payment shall include amounts payable by the Client to Saroj Securities in respect of Initial Margin ,mark to market , shortfall of margin (s) in prescribed modes , and /or other pay-in obligations .Late payment charges will be levied up to 1.5 % per month or a part of the month on delayed payment for the delayed period .The client will not be entitled to any interest On the credit balance/excess margin available with Saroj Securities.

A delayed payment charge is applied to act only as a deterrent measure .The client should not construe it as funding arrangement .The client cannot demand continuation of service on a continued basis citing levy of delayed payment charges.

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) .

Without prejudice to the other rights ,Saroj Securities shall be entitled to liquidate (sell Client's securities) in addition to collaterals deposited /close out all or any of the Client's positions in Cash market/Futures & Options /Currency Derivative Segment for non payment of margins ,pay in, outstanding debts or other amounts, limited to the extent of settlement /margin obligations, and adjust the proceeds of such liquidation/close out ,if any ,against the client's liabilities and obligations, without giving notice to the client, Any and all losses and financial charges on account of such liquidation /close out shall be charged to and borne by the Client .

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 .Saroj Securities shall therefore have the prerogative to insist for at least 50 % of margin in cash and may not consider the values of securities over and above the cash component for the purpose of calculating margins shortfall and close the F & O positions where it finds the deviation.

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

Saroj Securities shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy .The current procedure is to Close such transaction at the closing rate of the settlement date and charge 10% of the closing value from the seller and compensate the buyer by same amount .However this policy may be amended from time to time with prospective effect after publishing the same on our website .

7. Conditions under which a client may not be allowed to trade / take further Position or the broker may close the existing position of a client .

As per NSE Circular No – NSE/INVG /43144 dated January 07,2020 , the Exchange shall levy a penalty of minimum of 15 % upto a maximum of 100 % of profit earned /loss incurred on the trading members for both profit and loss making abnormal /non – genuine transactions executed on behalf of Clients.

The client will not be allowed to place order in case the same qualifies under the purview of abnormal /non – genuine transactions.

Where client is not having adequate margins as per conditions defined in risk management policies of Saroj Securities /Exchange /SEBI.

Where the client has not able to meet his pay-in /Mark to Market obligation in cash by the schedule date of pay-in irrespective of the value of collaterals available with Saroj Securities.Clear proceeds of the cheque deposited by the client to meet the pay-in

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/Mark To Market obligations has not yet been received by Saroj Securities .Where the open positions in a contract exceeds or are close to market wide cut off limits This policy may be amended from time to time with prospective effect after publishing the same on our website .

8. Temporarily suspending or closing a client's account

On Receipt of written Request of the client, his account shall be closed or temporarily suspended. Saroj Securities shall have right to suspend or close the client's account at its own discretion without any prior notice to the client if at any point of time the Saroj Securities observe the followings-:

- a) Clients' breach of any of the terms of member client agreement/ rules, Bylaws and regulations of the exchanges and/or SEBI directives.
- b) Clients' involvement in suspicious transactions, price manipulation of the securities, matching of trades and/or money laundering.
- c) Client has not traded in his/her/its account for a significant period of time.
- d) Clients' failure to complete the KYC due diligence.
- e) Delivery failure of important communication from the Saroj Securities such as contract notes, statement of account, statement of holding etc. sent to the client at its registered correspondence address; email id, mobile no. as per the record
- f) Under any unpleasant event such as death/disablement as reported to the Saroj Securities
- g) Client restricted/ prohibited to deal in the securities by the SEBI/ Exchanges
- h) Clients' inability to provide important financial/ non-financial documents / any such mandatory document as required by Saroj Securities from time to time and/or as directed by the exchanges/SEBI to maintain such document in the records of the Saroj Securities.

9. Deregistration of Client

Saroj Securities may carry a periodic review of the client accounts every six months and as per the policy ,the Client shall be put in the inactive list or finally deregistered, under the norms, if any, specified by Saroj Securities or by the Exchanges or corporation or SEBI from time to time.

Saroj Securities at its sole discretion may at any time without any notice to the client, terminate the member client agreement with immediate effect and deregister the client in any of the following circumstances -:

- a) If the action of the client are prima facie illegal/improper or such as to suspicious transaction or manipulate the price of any securities or facilitating money laundering /terrorist financing or disturb the normal/proper functioning of the market, either alone or in conjunction with others
- b) If there is any commencement of a legal process against the client under any law in force
- c) On the death/lunacy or other disability of the client.
- d) If the client has been declared/filed its bankruptcy or insolvency
- e) If the client, him/her/itself admitted its inability to pay his/her/its dues towards his/her/its obligations.
- f) Before deregistering the client, Saroj Securities shall have right to settle any dues/debit balance in the Clients' account by selling the securities lying in the margin account and/or beneficiary account of the client.
- g) Either party can terminate the agreement between the parties upon written notice of at least 30 days in advance.