

## B. S. SECURITIES

**GSTIN: 27AAAFB6528J1ZF SEBI REG NO: INZ000198021**

**MEMBER: NATIONAL STOCK EXCHANGE OF INDIA LTD.**

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### POLICIES AND PROCEDURES

### B S Securities

**1. Refusal of orders for penny Stocks:** -The client is aware and agrees that the stock broker may refuse or restrict a client in placing the order in certain securities depending on various conditions like volume / value / part of illiquid scrips/Z group of securities, although a client may have credit balance or sufficient margin in the trading account. However, stock broker under exceptional circumstances may execute cliental order. The stock broker has the discretion to reject execution of such orders based on its risk perception.

**2. Setting Up client's Exposure Limit**

The client is aware and agrees that the stock broker may set the Exposure limits on the basis of available base capital which may comprise of Ledger and applicable collateral pledged in favor of B S Securities (after suitable margin hair cut). The limits may be allowed on a multiplier basis to the available capital or actual VAR margin basis or a specified margin depending on the Market conditions. Client agrees that said limit parameters is a dynamic process that is allowed at the discretion of the stock broker based on the Market conditions and their risk perception about the market. However, on exceptional situations broker may use its own discretion in providing the limits and may change for a client or for all depending on market condition.

**3. Applicable Brokerage Rate for Equity & Derivatives**

a) The stock broker is eligible to charge brokerage with respect to transactions effected by it in various segment as mentioned herein below –

- For Capital Market Segment – The maximum brokerage 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 further clarified that where the sale / purchase price value of a share is Rs. 10/- or less, a maximum brokerage of 25 paise per share may be charged.
- For Option Contracts of Equity - Brokerage for options 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. The brokerage on option contracts shall not exceed 2.5% of the premium amount or Rs. 100 (per lot) whichever is higher.

b) The stock broker may charge different Brokerage for Deliverable and Intraday transactions.

c) The client is aware that any request for change in the brokerage rate has to send in writing to the stock broker. Acceptance / rejection of such request is at the discretion of stock broker.

d) Other Levies, charges, Goods and Service Tax (GST) e.t.c. will be charged on Brokerage as per Rules prescribed by the Government/ Regulatory Agencies.

All the above charges and levies debited to clients would be mentioned in the Contract Note send to client.

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#### **4. Imposition of Penalties / Interest on outstanding debits & margins**

The client is required to pay all amounts due to the stock broker on its due date. The amount due to broker shall include all type of Margin and Pay-in-obligation/Settlement Obligation on account of any other reason. Client is required to meet its dues to the Trading Member on account of various obligations like Margins & Settlement. These obligations if not paid in time, are met by the Trading Member to the Exchanges / Clearing Corporations / Clearing Members and is construed as funding on which interest would be applicable. In case the client does not pay the amount due on time, the stockbroker shall charge Interest on outstanding debits & margins upto the rate of 2% per month on the daily outstanding value or at such rates as may be determined from time to time by the stock broker. Interest will be charged from the time it become due till the time obligation is cleared by the client, on the basis of clear credit available in the account. The objective of charging such a interest- is to force a client to clear their dues on time.

The Client is hereby informed that, we as a Stock Broker are accepting deposits (towards margins) in the form of Cash deposits / Exchange approved securities / Exchange defined liquid scrips in any one form or combination thereof. Value of non-cash component would be arrived after deducting applicable Value at Risk percentage, as prescribed by Exchanges / Clearing Corporation from time to time. So the deposits may comprise of the cash component and non-cash component (after applicable hair cut). Further, client is informed that, Exchange accepts margins from a Trading Member in such form where maximum benefit of non-cash collateral is given to the extent of cash component deposited.

Depending upon the total deposits given by the client, we may be providing exposure to the client as per RMS policy. Resultant margin requirement should be cleared by the client within prescribed timeframe. Margins can be collected from client both in cash and non-cash component and any shortfall in fulfilment of margin requirement will lead to charging of interest. Client is hereby informed that, we shall be computing interest as under –

- If client has made the deposits partially in Exchange Approved Securities and partially in Cash and has a margin requirement, then maximum benefit of Exchange Approved Securities (with higher hair cut) would be considered only upto 50% of margin

requirement after adjusting available cash component. Therefore, any shortfall in the above explained norm will lead to charging of interest on such shortfall value. This interest is charged as we had to deploy our own funds / securities to meet the shortfall with Exchanges.

Clearing Corporations are reviewing the list of such approved securities on periodic basis and are making the changes from time to time. Hence, clients are requested to refer such list and place / pledge such approved securities as collateral to avoid interest charges.

The client agrees that the stock broker may impose fines/penalties for any orders/trades of the client which are contrary to this agreement/rules/regulations of the Exchanges and is imposed by the Exchanges/Regulators. Further, under the instances where the

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stock broker has been penalized from any authority on account of/as a consequence of orders/trades of the client, the same shall be borne by the client.

- 5. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues:-** The Client shall provide timely funds/securities /sale of securities to the stock broker for meeting his obligation to the Exchange.

The securities so purchased under capital market segment and/or resulted in compulsory delivery under F&O, securities so purchased / received shall be treated as unpaid client securities, if the outstanding payment is not cleared within 2 days of purchase (T+2 day) as per Exchange regulations. Such unpaid securities shall be liquidated anytime within 5 trading days from the date of payout if debit balance / outstanding dues are not cleared by the client by providing funds to the extent of debit balances

Also, depending on brokers discretion and its RMS policy, on case to case basis, we may transfer the securities purchased by client in clients demat account (where POA is available in favour of B S Securities despite outstanding debit balances / dues, if any, then we reserve the right to liquidate the same to settle the dues arising from time to time.

In case of client falling short of providing fund/securities, the stock broker has the right to close the positions. The Stock Broker has the right to sell client's securities or close clients position with or without giving prior notice to client on account of non payment of dues to the extent of Ledger debit and/or to the extent of Margin obligation(s). The broker can liquidate the securities bought or collaterals given or any other securities given in any other form for clearing the clients obligations.

B S Securities may in its sole discretion, determine the time of sell and securities to be disposed off and or which open position is / are to be liquidated / closed as per RMS policy applicable from time to time. To avoid selling of shares / closing of positions, we request you to maintain sufficient margin in your trading account.

- 6. SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES FOR EQUITIES** The client agrees to the laid down policy and procedure followed for handling shortages arising out of internal netting of trades, as mentioned herein below:

Close out price will be the Highest Weighted Average price for any day recorded in the scrip from the trading day on which the transaction took place up to the day of auction or the closing price on the day of auction, i.e. T+2, whichever is higher + 2% (for NIFTY INDEX scrips) and 5% (for other scrips).

(Above defined parameters are subject to change from time to time)

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

B S Securities is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any scrip if transaction in such scrip is not in accordance with its internal

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surveillance / risk management policy and/or in accordance with the directives and guidelines of the Exchanges and/or the Regulator issued from time to time. B S Securities may at its sole discretion decline to carry out the instructions for any reason whatsoever.

In case overall position of client / clubbed position of client as per the SEBI guidelines, and/or on the basis of criteria set by Exchanges, in a scrip / derivatives contracts has reached the Regulators prescribed Exchange limit / Market Wide Open Interest limit, then client may not be allowed to take further position, till such time Regulator prescribed limits comes down to create a new position.

Further in Exchange / Segments where client positions are monitored at group level (i.e. entities are clubbed by Exchanges as per their guidelines), those set / group of customers together have to abide by position limits as mentioned above.

Further, the stock broker may close the existing position of a client to the extent of Debit balances to release the Margin from the Exchange. In case if the stock broker has sufficient Margin cover on behalf of its client, it may still decide based on the market conditions and risk perception not to allow further position or may close the existing position of a client.

The customers are also requested to refer detailed Risk Management policy uploaded under client portal on B S Securities Website

[www.brijsagar.com](http://www.brijsagar.com).

### **8. Deregistering a client**

In addition to what the client has agreed in the agreement, the stock broker may terminate a client with immediate effect, but not limited to the following reasons –

- If the client is debarred by FMC/SEBI or any other regulatory authority.
- As a part of surveillance measure, if a client appears to be indulging in manipulative practice
- Under the circumstances when there is a reasonable ground to believe that the client is unable to clear its dues or has admitted its inability to pay its debt.
- If the client violates any of the terms of the agreement.

### **9. Treatment of Inactive Clients**

- B S Securities identifies such client codes / trading accounts that are inoperative for a minimum period of preceding 12 months. Accordingly, such trading accounts are made inactive in the Trading System and an email/letter/SMS or by way of any other mode the client is informed about the status of his trading account maintained with us.
- Further, if the client has any dues/obligation to B S Securities, then any securities bought or collaterals given or any other securities given by the client in any other form for clearing his obligation; will be adjusted and the balance would be returned to the client.
- For re-activation of such trading account, the client shall be required to make a request to re-open the account and submit all necessary information with regard to updation of his / their KYC requirement. B S Securities upon verifying at its end may activate, client's trading code in the Trading System and an email/letter/SMS or by way of any other mode the client is informed about the status of his trading account. Upon re-activation the stock broker may execute the order on behalf of its client