POLICIES AND PROCEDURES

I. REFUSAL OF ORDERS FOR PENNY STOCKS OR ILLIQUID SECURITIES / CONTRACTS

1. Penny/ illiquid /SMEs Stocks are traded at relatively low volume and market capitalization. Systematix Shares and Stocks (India) Limited (SSSIL) shall have absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid stocks, stocks / contracts having low liquidity, illiquid “options”, far month “options”, writing of “options”, and any other contracts which as per the perception of SSSIL are extremely volatile or subject to Market manipulation.
2. SSSIL may permit acceptance of orders in such restrictive scrips/contracts in controlled environments like orders received from clients being forwarded by branches to a centralized desk at HO instead of allowing trading in such scrips/contracts at branch level or through online trading platform. SSSIL shall not be responsible for the delay in execution of such orders and consequential opportunity loss or financial loss to the client.
3. SSSIL may take appropriate declarations from the clients before accepting such orders.
4. SSSIL shall have the prerogative to place such restrictions, notwithstanding the fact that the client has adequate credit balance or margin available in his account and/or the client had previously purchased or sold such securities/contracts through SSSIL itself.

In addition to existing Surveillance action being imposed from time to time, it may be noted that securities which are under graded surveillance measures and SMEs stocks will attract additional surveillance measures

II. SETTING UP CLIENT’S MARGIN LIMITS

1. **Margin Limit in Cash segment (Including MTF Product):** SSSIL provides Margin based limit following the value at risk (“VAR”) and Extreme loss margin (“ELM”) applies to scrip as defined by the Risk Management team time to time at its discretion. Hence Exposure for intraday and delivery transactions can be multiple (varying from scrip to scrip based on VAR +ELM (Margin rates) applies to scrip) of the ledger balance, value of collateral benefit after applying haircut on holding lying in the client account and credit for sales.

2. The value of the “multiple” and the “haircut” shall be decided by SSSIL based on market volatility and quality of collaterals. Limit on the basis of unsettled sales and un-cleared cheques will be at discretion of SSSIL.

3. **Margin Limit for F&O, Currency & Commodity segment**: SSSIL provides margin limit in F&O, Currency and Commodity Segment, based on available upfront margin (initial and exposure margin) into the client account in the form Ledger, cash collateral and non-cash collateral (i.e. approved pledged securities (in favour of SSSIL) after appropriate haircut.

4. **Client-wise differential limits:** SSSIL shall have the prerogative to allow differential limits in Cash, F&O and Currency segments varying from client to client, depending upon credit worthiness and past conduct of each client or any other criteria which SSSIL may find suitable.

5. **SSSIL Discretions on limits:**
    a. SSSIL has discretion to change the limits/ratios on the basis of risk perception and other factors considered relevant (such as broker level/exchange level limits in specific securities or Income declaration or volume Specific exposures based on surveillance measures or Availability of cash/ cash equivalent margin etc.
    b. SSSIL shall not be able to inform the client of such variation, reduction or imposition in advance.
    c. SSSIL shall not be responsible for client’s inability to execute any order on account of any such changes.
    d. MTF funding will not be allowed on shares of Systematix Group Company.

e. Collateral can be provided in Cash or Non Cash component, and client should maintain Cash and Non Cash Ratio of 50:50 for trading, however we will not restrict client to trade even if client fails to meet the ratio.

III. APPLICABLE BROKERAGE RATES

The Brokerage and other charges leviable by SSSIL on the clients are provided in Form annexed to the Client Registration form. With mutual consent between SSSIL and client, rate of brokerage may be changed. However, brokerage and other charges are subject to the maximum limits as prescribed by SEBI / Exchanges/ Government and other Regulatory authorities from time to time.

IV. IMPOSITION OF PENALTY/ DELAYED PAYMENT CHARGES

The clients are required to settle the pay-in / provide margin within the time limits provided by Exchanges / SEBI/SSSIL risk management system. In case the client fails to provide the same, clients will be liable to pay late pay in/delayed payment charges for non making payment of their pay-in / margin obligation at the rate upto 2% per month. This is only a penal measure and brings in discipline in the clients to clear the dues in time as SSSIL had to clear its obligations to the Exchange as per the time limits set by the Exchanges. The client shall be liable to pay to SSSIL brokerage, all taxes, duties, levies to the stock exchanges, transaction expenses, F&O charges, delayed payment charges, short delivery charges, auction charges, cheque stop payment charges, cheque bounce charges, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account/transaction/services that the client avails from SSSIL. SSSIL may also impose fines/ penalties for any orders / trades/ deals/ actions of the client which are contrary to this document / rules/ regulations/ byelaws 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 SSSIL has to pay any 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.

V. RIGHT TO SELL CLIENTS SECURITIES OR SQUARE OFF CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENTS DUES (THIS SHALL BE LIMITED TO THE EXTENT OF SETTLEMENT / MARGIN OBLIGATION)

SSSIL shall have the right to sell client’s securities, both unpaid securities as well as collaterals deposited towards margins, or square off client’s open positions, without giving notice to the client where there is a delay/failure of the client to 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.

1. **Unpaid Securities in Capital Market**
   a. In case of unpaid obligation on Settlement date, SSSIL may sell the unpaid/ partially paid securities.
   b. In addition, SSSIL may sell the collaterals deposited by the client towards margins and/or paid securities purchased by the client in earlier settlements where the sale 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.
   c. Further SSSIL shall also have rights to Invoke Pledge Securities/ Mutual Funds Units with/without prior intimation to fulfill client’s unpaid settlement / margin obligation.
   d. SSSIL may follow the Company Policy for liquidation of securities, but it may not be binding on it to follow this method in all cases.

2. **The margin shortfall in F&O, Currency and Commodity Segments**
   a. Positions of the client may be squared off to the extent of margin shortfall on the T+1 basis /Real time Monitoring basis. Positions of the client may be squared off out to the extent of margin shortfall on the T+1 basis /Real time Monitoring basis.
   b. While computing margin shortfall, value of unapproved securities shall not be considered.
   c. As per the Exchange requirements, the SSSIL is required to maintain a prescribed ratio between cash and non-cash Collaterals margin deposited with the Exchange. SSSIL shall

therefore have the prerogative to insist for at least such prescribed ratio % 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 squareoff the client's position where it finds deviation.

3. **Securities bought under Margin Trading Facility**
   a. Positions of the client may be squared off to the extent of margin shortfall (including MTM Loss) on settlement date onwards or Real time monitoring basis.
   b. While computing margin shortfall, value of unapproved securities shall not be considered.
   c. In case of unpaid obligation, SSSIL may sell the unpaid/ partially paid securities. In addition, SSSIL may sell
   d. the collaterals deposited by the client towards margins and/or paid securities purchased by the client in earlier settlements where the sale proceeds of unpaid securities are inadequate to cover the pay-in obligations, Mark to Market ("MtoM") and/where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required.
   e. Position of client may be squared off if funds for required margin is not available in the form of Cash.

4. **Intra-day positions:** SSSIL shall have right to square off any intra-day positions taken by the client after a defined time limit which is currently set to 15 minutes before close of market

5. **Mark to Market (MTM) / Risk base Liquidation:** All positions under All Product will be subject to 75% MTM Loss i.e. positions may be liquidated if loss reaches a pre decided level of client margin loss. The OPEN positions (i.e. the carry forward overnight positions) and the intraday leverage position (across segments) may be squared off at 75% MTM Loss. Further if the ratio of available collateral (Broking + MTF) against debit (Broking + MTF) comes down to 15% or below 15% then position /securities of client may be squared off/sold on a real-time basis.

6. **Stock Derivative Contracts settled through Physical delivery:**
   a. Client's positions in Stock Option and Stock Future contracts which will expire on next trading day may be squared off, if client does not have sufficient Margin / coverage available.
   b. In case of available margin with SSSIL is lower than value of delivery likely to be taken by client SSSIL may be squared off position in absence of required margin

7. **General:**
   a. While selling the securities /squaring of position against client debit/shortfall , SSSIL may take into account the sell transaction, positions squared off or funds received from the client till cut off time, as per company policy.
   b. While selling the securities/ squaring the client positions, SSSIL may not take into consideration Cheques showing unrealised although deposited by the client with SSSIL until clear proceeds of such instruments are received by SSSIL in its bank account. For this purposes Demand Draft / Pay order shall not be taken into consideration.
   c. SSSIL shall have the right to sell clients securities or squared off out client's position, but it shall not be under any obligation to undertake this exercise compulsorily.
   d. SSSIL shall have the right to sell clients securities in case of Ageing of debit and margin shortfall in the client account.
   e. SSSIL shall have right to sell the securities purchased under MTF which is later on found to be not considered under not part of MTF including but not limited to short available of margin, technical and software error and other unavoidable circumstances.
   f. SSSIL shall not be responsible for any losses and penalties / charges levied by exchanges(s) caused on such square off.
   g. SSSIL shall therefore not be under any obligation to compensate for / or provide reasons of any delay or omission on its part to sell clients securities or squared off open positions of the client.

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

As specified in SEBI circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated 5-June-2024, in case of any shortages arising due to inter se netting of positions between clients i.e., internal shortages, SSSIL shall handle such shortages through the process of auction as specified by Clearing Corporation (CC). NSE Clearing Limited (NCL) vide circular NCL/CMPT/66688 dated February 14, 2025, and Indian Clearing Corporation Limited (ICCL) vide circular 20250214-69 dated February 14, 2025, have provided their standard operating guidelines pertaining to "Auction for Internal shortages" extract of the same is reproduced for your quick reference, thus same and or any such circulars/directives issued by SEBI/CC would be adhered by SSSIL

"CC shall identify internal shortages by comparing gross sell obligation of clearing member vis-a-vis pay-in received for clearing member for both depositories. The gross sell obligation of clearing member shall be computed as gross of net sell obligation across all clients of a clearing member for a security. Member shall ensure to provide entire gross sell obligation as security pay-in to CC.
It shall be mandatory for members to do gross pay-in to CC. Where member effects payout to receiving clients on its own and does not provide the same to CC in pay-in, CC shall consider such quantities as short received for internal shortage computation.

It shall be mandatory for members to pay valuation amount for internal shortages identified by CC as per timelines specified by CC. Where member has not paid valuation amount CC shall not conduct auction for the internal shortage. The price for valuation amount for internal shortages shall be arrived basis the settlement price of the security. While CC will identify and provide details of internal shortages and the valuation amount to be paid by member, members shall have internal processes to identify the internal shortages in advance and provide the valuation amount by specified timelines.

Where auction is not conducted on account of reason such as valuation debit not paid by member or on account of excess pay in by any member/clients or in case of corporate action in security or where the auction by CC was unsuccessful or file not uploaded by custodian member or any other reason specified from time to time, the brokers/members shall pass close out entry in the books at the auction rate and in absence of auction rate at the close out rate. In case auction is not conducted due to receipt of excess payin, the credit shall be given to client who has done excess pay-in.

Members shall voluntarily bring to the notice of CC, where an auction profit is being identified by the members at the client level, including internal shortages.

The price for valuation amount for internal shortages shall be arrived basis the settlement price of the security and additional 20% mark or as specified by CC from time to time. While CC will identify and provide details of internal shortages and the valuation amount to be paid by member, members shall have internal processes to identify the internal shortages in advance and provide the valuation amount by specified timelines."

VI. CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR SSSIL MAY SQUARE OFF THE EXISTING POSITION OF A CLIENT

SSSIL reserves the right to refuse trade execution, restrict new positions, and/or close existing positions under the following circumstances:

a. Non-receipt of adequate funds / securities and / or Dishonored of cheque received from the client towards the obligations/ margin/ ledger balances;
b. Technical difficulties ;
c. Securities exceeding limits at client and securities level as specified by the Exchanges/regulators from time to time;
d. Securities are not in dematerialized form, illiquid securities and the price of securities not supported with the fundamental and financial of the company.
e. Any other conditions as may be specified by SSSIL from time to time in view of market conditions, regulatory requirements, internal policies and risk management system consideration;
f. Any force majeure events beyond the control of SSSIL.
g. If in the opinion of SSSIL, the client has committed a fraud, crime or acted in contravention to this document.
h. Client-wise permissible open positions exceeded.

i. Intraday orders received after the cut off time.
j. Securities purchased under MTF found ineligible.
k. Compliance with SEBI's framework for dynamic trade-based price checks to prevent aberrant orders or uncontrolled trades, as per CIR/MRD/DP/34/2012 dated December 13, 2012. In such cases, SSSIL shall not be liable for any losses incurred, and the client shall indemnify SSSIL accordingly. .

SSSIL reserves the right to square off open position of client and/ or sell client's securities under the prescribed circumstances, however SSSIL is not obligated and does not guarantee to square off the open positions and/ or sell client's securities. The client shall be solely responsible for the trading decisions taken by the client. It shall be responsibility of the client to make payments towards outstanding obligations and/ or applicable margins to SSSIL in time irrespective of whether SSSIL exercises its right to square off the positions of the client in accordance with the provisions given herein above.

Client shall be solely responsible for any resultant losses incurred to client due to selling of client's securities by SSSIL or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the client and SSSIL shall be fully indemnified and held harmless by the client in this behalf.

The client accepts to comply with SSSIL's requirement of payment of Margin/ settlement obligations of the Client, immediately failing which SSSIL may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin/lying in the beneficiary account of SSSIL or square-off all or some of the outstanding F&O positions of the client as it deems fit at its sole discretion without further reference to the client and any resultant or associated losses that may occur due to such square-off/ sale shall be borne by the client and SSSIL shall be fully indemnified and held harmless by the client in this behalf at all times.

Apart from above, client understands and accepts these important below mentioned points, list which is indicative and not exhaustive:

a. Delivery Selling Benefit for subsequent fresh positions on T Day, selling benefit will be available up to 100% of sell value and will also be considered for MTM loss.
b. Peak Margin Obligation will be applied.
c. Margin Increases due to close of any one leg of hedge position, market volatility, price change, or exchange margin percentage changes.
d. Peak/EOD Margin Shortfall may occur if reportable balance (collateral pledge + ledger+ EPI) is insufficient.
e. If securities are released from CUSPA to client's DMAT account and client has not pledged of these securities in favour of SSSIL for margin, to meet out the margin requirements then Peak/EOD Margin Shortfall may occur.
f. Securities for which payout is pending receipt will be available for selling/lending. However, please note that there is a risk of shortage of payout received from the exchange and securities sold/lent in expectation of payout may not be received, this may lead to auction, penalties, and other losses. In such cases, any penalties and losses incurred shall be charged to the client. Clients are advised to exercise caution while trading in securities with pending payout

VII. TEMPORARY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT CLIENT REQUEST

1. Introduction :

In order to enhance the ease of doing business and ease of doing investments for investors and to enhance protection of investors from suspicious activities; SEBI, has vide its circular ref. No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 has mandated that a framework shall be laid down by stock exchanges for Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients. Accordingly, stock exchanges has issued circulars providing a framework for trading members for the facility of voluntary freezing/blocking the online access of the trading account for clients. In accordance with the above, Members are required to frame a policy in line with the exchange prescribed framework, which shall be part of the member's Risk Management Policy and shall be displayed on its website along with the process and mode(s) through which the client can place the request to freeze / block & unfreeze / unblock the trading account along with the timelines that will be followed by the members for the same.

2. Scope and applicability:

Members providing internet based trading/ mobile trading/ other online access for trading are required to make available to the clients at least two modes of the following communications through which the client may request for voluntary freezing/ blocking the online access of trading account if any suspicious activity is observed in the trading account: -

a) Email from registered e-mail ID
b) SMS from registered mobile number
c) IVR/tele calling
d) Chatbot
e) Trading Member's App / website
f) Any other legally verifiable mechanism

The shall be applicable with effect from July 01, 2024.

1. To new on-boarded clients as part of account opening kit
2. To all existing clients via email or any other suitable mechanism which can be preserved. In case, communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

3. Mode of receipt of request for freezing/blocking Trading A/c :

Following modes shall be provided by company for receipt of request for freezing/blocking the clients trading A/c:

1. Send an E-mail ID to stoptrade@systematixgroup.in.
2. Client call to RMS division at HO, currently the number is 022-67048640/40874040
3. Client web access - Wealth Pulse

4. Procedure to be followed on receipt of request for Freezing/Blocking Trading A/c :

On receipt of request from clients through any of the prescribed modes of communications; for freezing/blocking of the online access of the trading account from the client:

1. We shall validate that the request is received from a registered client as per and issue an acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client.
2. To validate the request received on calling desk; we shall verify the client by authenticating that request is received from registered number

The timelines for freezing/ blocking of the online access of the clients' trading account is as under:

Scenario Timelines for issuing acknowledgement as well as freezing / blocking of online access of trading account.

Scenario	**Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.**
Request received during the trading hours1 and within 15 minutes before the start of trading.	Within 15 minutes *
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

Trading hours shall be as follows: Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m., Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m.

** To begin with, the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the trading account. This time limit shall be contracted after a review in next six months after the date of its applicability to enhance protection of investors from suspicious activities.*

d. Post freezing/blocking client's trading account, we shall send a communication on the registered mobile number and registered e-mail ID of the client, stating that online access to the trading account has been frozen/blocked and all pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.

e. We shall also communicate / provide the details of open positions of client (if any) alongwith contract expiry information within one hour from the freezing/blocking of the trading account.

f. We shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

g. In case of failure in freezing/ blocking the online access within the prescribed timelines, there is a risk that we may be held responsible for any trades executed from the time of receipt of such request till such time the online access is blocked / frozen.

5. Re-enabling client for online access of Trading A/c :

We shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.

6. Important points :

1. All logs of freeze and unfreeze request and communications sent shall be maintained for audit trail.
2. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities.
3. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

VIII. DEREGISTERING A CLIENT

The client has the option to de-register his account after settling his account with SSSIL. The client would be liable to pay all dues in his account before de-registration. Notwithstanding anything to the contrary stated in this document, SSSIL shall be entitled to terminate the relationship with the client with immediate effect in any of the following circumstances:

a. The action of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities 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 being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership.
e. If the Client suffers any adverse material change in his/her/its financial position or defaults in any other policies & procedures of SSSIL
f. If there is unreasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable or client has become insolvent'
g. If the Client is in breach of any term, condition or covenant of this document;
h. If the Client has made any material misrepresentation of facts, including (without limitation)in relation to the security;
i. If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
j. If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
k. If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
l. If any covenant or warranty of the Client is incorrect or untrue in any material respect;

In addition to what the client has agreed in the agreement, SSSIL may terminate a client with immediate effect, but not limited to the following reasons - If the client is debarred by SEBI or any other regulatory authority As a part of surveillance measure, if a client appears to be indulging in manipulative practices. 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.

IX. LIQUIDATION POLICY

As per directive of SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 related to Handling of Clients' Securities and subsequent clarifications provided by exchanges. In case client does not pay for securities which are received in pay-out, then such securities shall be transferred in separate demat account "client unpaid securities pledged account" (CUSPA).

a. If client fails to meet its funds pay-in obligation within T+4, then we shall liquidate securities on T+5 from 11.30 a.m. onwards solely at our discretion with no prior intimation.
b. In case of margins available with us is less than 75% any time since your purchase date till T+ 4, we shall Immediately liquidate your position solely at our discretion with no prior intimation.
c. The client shall be put on square off mode on T+5 and no further exposure/limits shall be given on T+5 day.
d. In case of payment via electronic transfer, fund received shall be adjusted against outstanding on "First in First out" (FIFO) basis.
e. In case of cheque payment, funds credited in SSSIL bank account shall be adjusted against the outstanding.

X. TREATMENT OF INACTIVE (DORMANT) ACCOUNTS

The treatment of Inactive (Dormant) accounts is as per SEBI guidelines and exchange directives issued from time to time In case trading account, wherein no trades have been carried out since last 24 (Twenty four) months across all exchanges shall be flagged as 'Inactive' in exchange portals of respective Exchanges

SSSIL would before marking an account as inactive (dormant) send an update to clients 1) Vide an email and/or sms intimation to client 2) Vide an email to respective branches, with a follow-on reminder. In case no response is received we shall be suspending codes from further trading and thereafter we shall, refrain from trading until the account is reactivation request is received from client with proper compliances . The client shall be allowed to trade only after account is re-activated. Client can re-activate their account by giving a request in the prescribed form and or vide electronic communication from registered email id, at respective branch / Head Office along with updated details, if any, has been changed. It would be suggestive that income details are also provided by the client. Client has settle on monthly or quarterly basis (as per client preferences) in the manner prescribed from time to time.