

# **M/s DEEPAK GUPTA**

B-52, JLN Marg, Jai Jawan Colony - I, Durgapura, Jaipur -302018

SEBI Registration no - INZ000297911: NSE - 90222

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**Version 2.2024**

**(Reviewed on 06.07.2024)**

**Policies-and-Procedures-Mandatory**

## Policies and Procedures

### 1. Refusal of orders for penny Stocks / Commodity Derivatives

:- The client is aware and agrees that the stock broker may refuse or restrict a client in placing the order in certain securities/commodities depending on various conditions like volume / value / part of illiquid scrip's / Z group of securities illiquid commodities, although a client may have credit balance or sufficient margin in the trading account. However, stock broker under exceptional circumstances may execute client's 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 (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:-

Applicable Brokerage Rate for Commodity:

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

• Delivery based - The maximum brokerage rate for the time being shall be 2% (plus expenses) in case of transactions resulting into delivery.

• Non-delivery based - The maximum brokerage rate for the time being shall be 1% in case of non-delivery transactions.

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

(c) Brokerage shall be charged on the premium amount at which the options contract was bought or sold and not on the strike price of the option contract. Maximum permissible brokerage rate is 2.50% of premium amount or Rs. 250/- per lot, whichever is higher.

(d) The client is aware that any request for change in the brokerage rate has to send in writing to the Branch who in turn will forward the request to Head Office of the Stock broker. Acceptance / rejection of such request are at the discretion of Stock broker.

(e) Other Levies, charges, service tax etc. will be charged on Brokerage as per the Rules prescribed by the Government/regulatory agencies. All the above charges

and levies debited to client would be mentioned in the Contract Note send to client.

**4. Imposition of 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.

In case the client does not pay the amount due on time, the stock broker shall charge Interest on outstanding debits & margins up to 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. In case of Capital Market, F & O, Commodity and Currency Derivative Segment Wise, 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 hereby agrees that he/they will be charged Interest on outstanding debits & margins which shall be levied by the Stock Broker as DSPL has accepted 100% securities with appropriate hair cut for margin purpose, but has to deploy his own funds/securities (approved) for meeting his/their all type of margin requirements to Exchange (s) as per the applicable norms of the exchange.

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 scripts in any one form or combination thereof. Value of non-cash component would be arrived after deducting applicable Value at Risk percentage, as a 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 time frame. Margins can be collected from client both in cash and non-cash component and any shortfall in fulfillment 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 up to 50% of margin requirement after adjusting available cash component. Therefore, any shortfall in the above explained norm will be 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 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 these agreement/rules/regulations of the Exchanges and is imposed by the Exchanges/Regulators. Further, under the instances where the 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/commodities or client's positions, without giving notice to the client, on account of non-payment of client's dues** Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the clients position without giving notice to the client for nonpayment of margins or other amounts including the pay in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities/obligations The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges to & born by the client. In cases of securities lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other purpose the benefit of shares due to received under Bonus, Stock split, Right issue etc will be given when the shares is actually received in the stock broker designated demat account. In case the payment of the margin/security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit/credit for the name only on the realization of the funds from the said bank instrument etc, at the absolute discretion of the stock broker. Where the margin/security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin/security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/ liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchanges(s).

Clients having Power of Attorney will be given pay out of securities directly to the demat account with POA without referring to the debit/credit balance. Stock broker shall be entitled to liquidate or close all or any of the client security/position without giving notice to the client for non-payment or other amounts, outstanding debts etc and adjust the proceeds of such liquidation / close out if any against the clients liability/obligation. In any other case Selling will be done in clients account on T+7 days for the ledger debit which is more than T+6 days on ageing basis. For e.g. All trades executed on Monday will be squared off on next Wednesday. In other words, if funds are not received for clients not having POA for Scrips purchased on Monday by next Tuesday i.e. T+6 days, DSPL shall liquidate securities to the extent of ledger debit for clients not having Power of attorney.

**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 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 closing price of such securities on the immediate trading day preceding the pay-in day plus 1% of the closing value (whichever is higher). The closing price is the price as announced by NSE at the end of the trading day.

The internal close out policy for handling internal shortages in Commodities is in line with the exchange policy for handling shortages at exchange level. Apart from this the seller will be additionally debited by 0.50% penalty. Thus, the buyer will get the credit of the shortage based on the calculation given by exchanges and the Seller will be debited by the same amount +0.50% penalty. (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:-**

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, 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 client.

**8. Temporary Suspension/Closure of Accounts:-**

- The client may request the stock broker for temporary suspension/closure of his trading account by sending a written request to Branch. This request will be in turn sent by Branch to Head Office for further processing where after verification of the client details, the trading account of the client will be suspended.

- The client would be required to clear all his dues/settlement of obligations before his account is temporarily suspended. The client may also be required to fulfill other conditions, on a case to case basis.

•The stock broker can withhold the payouts of client and suspend/close his trading account due to any internal/regulatory action.

The Customer will be intimated upon Suspension / closure of trading account within 15 days of suspension.

**9. Deregistering a client:-**Notwithstanding anything to the contrary stated in the agreement, the trading member shall be entitled to terminate the agreement with immediate effect client account can be de- registered.

- a. If 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 agreement with the Stock broker;
- f. If there is reasonable 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;
- g. If the Client is in breach of any term, condition or covenant of this Agreement;
- 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 laws 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;

1. If any covenant or warranty of the Client is incorrect or untrue in any material respect;

**10. Inactive Client account:** - Client account will be considered as inactive if the client does not trade for period of one year. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

Trading in Exchange is in Electronic Mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. I/We shall be fully liable and responsible for any such problem/fault.

**11. Client Acceptance of Policies and Procedures stated hereinabove:** I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended/changed unilaterally by the broker, provided the change is informed to me/us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt/non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/difference or claim between me/us and stock broker before any court of law/judicial/adjudicating authority including arbitrator/mediator etc.