

1. Refusal of orders for penny stocks:

Arcadia Shares & Stock Brokers Pvt. Ltd. (hereinafter called 'Member-NSE-BSE') does not encourage trading in penny stocks or securities falling in T2T or Z group of BSE and Member -NSE-BSE reserves its right to refuse orders in such securities from the clients desiring to deal in such shares, stocks, securities,

Under exceptional circumstances and considering merits on case to case basis, trading in penny stocks/ T2T/ Z category would be allowed to clients on delivery basis subject to stringent verifications of the client holdings, intentions and bonafide reasons given by the intending clients.

Orders/Trades/transactions will have to be executed through RO or HO by the Clients. However if observed that client/s is/are indulging in trading activities only in penny stocks or securities falling in T2T or Z group of BSE or carrying on any insider trading activity, the client account maybe immediately suspended without any reasons being given to the client/s.

Further client's traded volumes vis-a-vis market volumes will be considered and additions 15 % of market volumes will be allowed or such market volume as decided by the Member from time to time, subject to due diligence of the RMS and Compliance department. Further trading limits will be allowed subject to the client making margin payments, history of the client, trading pattern, intention of doing the trades. The said additional trading limits may not be allowed on a regular basis to the client/s.

2. Setting up of client exposure limits:

For all new registrations, a default gross exposure will be allowed which attracts a Rs. 10000.00 exchange levied VAR margins. For all existing clients exposures allowed will be based on the credit balance in ledgers + stocks lying in beneficiary account + margins (securities and cash) and their promptness in meeting their funds/securities obligations. However the member may at its own discretion allow additional exposure as per cash margins / collaterals deposited by the clients.

3. Applicable brokerage rate:

Brokerage charged will not be in excess of higher of 2.5% of Rate per share or 25 Paise per Share. In case of options contracts brokerage shall be charged on Premium amount at which option contract was bought or sold and not on the strike price of the option contract. It is hereby further clarified that the brokerage on options contract shall not exceed 2.5% of the premium amount or Rs. 100/- (Per lot) whichever is higher.

reduced rate of Brokerage to its clients. In case of reduction in brokerage rates, no approval of the client would be required.

Statutory levies and transaction charges levied by the exchanges would be recovered separately.

4. Imposition of Penalty / delayed payment charges by either party:

Member will apply interest at the rate of 20 % p.a. on all outstanding obligations subject to settlement schedules on a daily basis.

Member will pay interest at the rate of 12 % p.a. to the client only in case of delay in payment from members end. The client agrees that he will not be liable to claim any interest on credit balances in his account if he has given consent to retain credit balances in his/her/its account.

In case client/s has/have given consent to maintain running account, the client/s would be required to give specific request to release the credit balance/funds in his/her/its trading account/s.

5. Right to sell client's securities or close client's open positions:

The member will have the right to close out all open positions or sell client's securities, without any notice to clients, as and when the client defaults in his settlement/sale delivery/margin/MTM obligations in any segment of the exchanges. The close out/selling will be only to the combined extent of shortages in Margins/MTM or settlement obligations on all segments of exchanges.

6. Internal Shortages:

Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation/clearing hours or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first.

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

- a. The securities delivered short are purchased from market on T +2 day which is settlement Day on Exchange, and the purchase consideration (inclusive of all statutory taxes and levies) is debited to the short delivering seller client.
- b. If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+3 day of Auction day on Exchange +10%. Where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.

c. In case of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure/record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.

7. Restrictions or Regulations on Dealings of clients:

The Member and Client shall mutually decide, from time to time, the volume of business which the client shall be allowed to transact. However the Member shall have absolute discretion of reducing /restricting or zeroing the volumes of the client without any prior intimation/notice to the client interalia, in particular F&O segment having regards to:

1. volatility in the market/market segments of respective stock exchanges
2. in view of impending price sensitive announcements by the Exchanges/Listed Companies
3. any restrictions in relation to volume of trading / outstanding business or margins stipulated by Stock Exchanges
4. political/financial instability in the country or otherwise
5. presence of any other price sensitive factors in the economy
6. failure by the client to maintain the applicable collaterals / margins with the member as per the Stock Exchange Byelaws, Rules and Regulations and Circulars and Guidelines of SEB1
7. delays by the client in meeting its obligations / dues relating to the business / dealings done by the client under this Member Client Agreement (mandatory and voluntary clauses)
8. observing /discovery any abnormal behavior / action / deed /trading pattern of the client's dealing with the member for eg. cheque bouncing, non fulfillment of sale obligation, any regulatory action taken by any of

the regulators, ban of the client by SEBI, etc.

9. in shares of a company where the merchant banking department is doing some due diligence or managing a assignment for the company
10. in scrips which are relisted and where the circuit filters are not applicable on the day of relisting.
11. one share orders will be not allowed except for high value scrips after considering the client's history and trading pattern.

8. De-registering a client:

The Member will de-register a client without any prior intimation / notice, in addition to the termination clause of the client member agreement, with regards to:

1. The client being declared a defaulter by any of the regulatory bodies of the country or under any law being in force;
2. in the event of member becoming aware of any proceedings being initiated against the client by any of the regulatory bodies of the country or under any law being in force or the client being involved in any criminal proceedings or any illegal business or the member becoming aware of the client's past offenses which are illegal or prohibited by the regulatory bodies of the country or under any law being in force
3. The death of the client;
4. The depository account with member is closed and no alternative depository account , details are provided;
5. The client makes a voluntary written request to de-register itself/himself;
6. In the event of member becoming aware of client defaulting in meeting its obligations to the member
7. On the specific written directions of any statutory / legal authority/Regulatory Authority.

This policy has been adopted by the trading member and may be revised over time. Latest version of the policy is available at the trading members' website <http://www.arcadiastock.com>