

# **ARISTRO CAPITAL MARKETS PRIVATE LIMITED**

## **Internal Policies & Procedures**

The Board of Directors of **ARISTROCAPITAL MARKETS PVT LTD (ACMPL)** have adopted the following Internal Policies & Procedures in terms of SEBI Circular: MIRSD/SE/Cir-19/2009 dated 03.12.2009 forming integral part of the Member Constituent agreement in their meeting held on 12/01/2011. at the registered office of the Company.

### **a) Refusal of Orders for Penny Stocks:**

Aristro Capital Markets Pvt. Ltd. (hereinafter referred as **ACMPL**) shall have absolute discretion to term a stock as "PENNY". As per our policy, "PENNY STOCK" can be referred to as the stocks which are appearing in the list of illiquid securities issued by the Exchanges every month and any other stocks which **ACMPL** might consider to be illiquid. The details of such stocks will be posted on the website of **ACMPL**. **ACMPL** at its discretion can accept, refuse or partially accept any buy or sell order for execution from the client in respect of such scrips. **ACMPL** may allow restrictive acceptance of orders in such scrips and may demand appropriate declarations and additional margin from the client before accepting order of such stocks. **ACMPL** may cancel orders in such scrips received by the clients before execution or partial execution or place any other kind of restrictions on the trade on such scrips without assigning any reasons thereof to the client. **ACMPL** shall not be responsible for any consequential opportunity loss or financial loss that a client may incur from delay or non execution of orders in penny stock.

### **b) Setting up Client's Exposure Limits:**

**ACMPL** may give an exposure limit which would be a multiple (ranging between one to four times) of the clear ledger balance in the account plus value of the shares given as collaterals computed after applying appropriate haircut. In F & D segment exposure is given on the value of initial margin, after applying appropriate hair cut on the securities given as collateral. The exposure limit may be changed based on the volatility in the market and quality of collaterals. **ACMPL** may set different exposure limits varying for different clients depending on the credit worthiness, integrity and past conduct of the client. The client agrees that **ACMPL** shall not be responsible for such variation, reduction or imposition or the clients inability to route any order through **ACMPL**'s trading system on account of any such variation, reduction or imposition of limits.

### **c) Applicable Brokerage Rate:**

**ACMPL** follows the policy of charging brokerage not more than the maximum permissible brokerage as per the rules and regulation of the exchange/ SEBI. Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration. The brokerage slab of a client shall be reviewed at intervals after assessment of the amount and quality of volume generated by the client as per his commitment. The rates may be increased with prospective effect at 15 days notice sent to the E-mail address or postal address of the client registered with **ACMPL**. The brokerage amount debited to the client does not include any exchange related charges or statutory levies as applicable. Any other applicable taxes imposed by statutory authority including securities transaction taxes, duties, service tax, etc will be paid by the client separately as may be levied on the transactions from time to time.

### **d) 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):**

Clients will be liable to pay late pay in/delayed payment charges not exceeding 2% per month for not making payment of their pay-in obligation on time as per the exchange requirement or net ledger debit balance as applicable. The client agrees that **ACMPL** may impose fines/penalties for any orders/trades/deals/actions of the client which are contrary to this agreement/rules/regulation or any laws 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 **ACMPL** has to pay 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.

### **e) The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of nonpayment of client's dues (This shall be limited to the extent of settlement/margin obligation):**

**ACMPL** shall be entitled to liquidate client's securities; both unpaid securities as well as collateral deposited towards margins or close out client's open position, without giving notice to the client for non-payment 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. Any and all losses and financial charges on account of such liquidations/closing out shall be charges to and borne by the client. In case the payment of the margin/security is made by the client through a bank instrument, **ACMPL** shall have absolute discretion to give the benefit/credit for the same only on the realization of clear proceeds in **ACMPL** bank account. Where the margin/security is made available by way of securities or any other property, **ACMPL** is empowered to decline its acceptance as margin/security and/or accept it at such reduced value as **ACMPL** may deem fit by applying haircuts or by valuing it by marking it to market. The stock broker has the sole discretion to decide referred stipulated margin percentage depending upon the market conditions. The above action is at the sole discretion of **ACMPL** and may vary from client to client. It shall not be under any obligations to undertake



the exercise compulsorily. **ACMPL** shall therefore not be under any obligation to compensate or provide reasons of any omission or delay on its part to sell client's securities or close open positions of the client.

**f) Shortages in obligations arising out of internal netting of trades:**

Policy for settling shortage in obligation arising out of internal netting of trades is as under:

The securities delivered short are purchased from the market on T+2 day and the purchase consideration (including all statutory taxes & levies) along with a penalty is debited to the short delivering seller client. In case the shares are not available for purchase for any reason then the shortage will be closed out as per the prevailing rules of the respective exchanges. Currently, the penalty levied amounts to- NSE clients charged a flat rate of 0.4% on value of purchase and BSE Clients charged @1% on value of purchase consideration.

**g) Condition under which a client may not be allowed to take further position or the broker may close the existing position of a client:**

- Client unable to meet his pay-in obligation as per exchange requirement irrespective of the value of collaterals available.
- Long pending debit balance in the client's account.
- Margin shortfall not compensated by the client.
- Dishonor of Cheque
- Client dealing in "illiquid" stock as declared by **ACMPL**.
- Transactions which may appear to be suspicious in nature
- Where based on the happening of an event, **ACMPL** has a risk perception that further trading in the contracts/securities may not be in the interest of the clients and /or the market.

**h) Temporarily suspending or Closing a Client's account at the client's request:**

**ACMPL** may carry out periodic review of the client accounts and may suspend the accounts from trading (i.e. prohibiting any market transactions, only allowing client shares/ledger balance settlement to take place) under any of the following circumstances:

- Where the Client is inactive for the last six months.
- Where the Client has not cleared his dues after repeated reminders
- Where Physical statements or contract notes etc are received back undelivered and the client is not responding to update the correct address.
- Where the client is reported or known to have expired.
- Where client lodges a complaint either directly with **ACMPL** or through the Exchange relating to alleged unauthorized Trades being executed in his account.
- Where the account is under investigation by any regulatory body.
- As per direction of the Exchanges, SEBI or any other regulatory body.
- On written request received from the client and the same can be activated on the written request of the client only.

The Client account can be closed on the written request of the client provided the client account is settled. If the client wants to reopen the account then the client has to again complete the KYC requirement.

**i) Deregistering a client:**

Notwithstanding anything to the contrary stated in the agreement, **ACMPL** shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- If the action of the client are prima facie illegal/improper or such to manipulate the price of any securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- On the death/lunacy or other disability of the Client.
- If the client being a partnership firm/any other organization, has any steps taken by the Client and/or its partners for dissolution or liquidation.
- If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock Broker.
- If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security.
- If the Client is in breach of any term, condition or covenant of this Agreement.
- Any suspicious information found by **ACMPL** in sites like CIBIL, world check, etc or if there is any commencement of a legal process against the client under any law in force.
- If the client forms a part of the list of debarred entities published by SEBI and/or any action is taken by NSE/BSE/SEBI on the client.
- **ACMPL** reserves the right to deregister a client after giving 30 days notice to the client without specifying any reason whatsoever. **ACMPL** may freeze the assets of the client where it deems prudent and shall have the right to close out the existing positions, sell all the collaterals to recover its dues, if any, before deregistering the client. Inactive client account will be considered as inactive if the client does not trade for a period of six months. Calculation will be done at the beginning of every month and a written request has to be made by the client for reactivation of their account.

