

## 1. Trading in penny stocks

Bhargava Lodha Stock Brokers Pvt Ltd, discourages / restricts trading in penny stocks by the clients, as they are susceptible to manipulation and also risky for the clients as well as Bhargava Lodha Stock Brokers Pvt Ltd,. The client is, therefore, required to exercise due diligence while dealing with penny stocks. Bhargava Lodha Stock Brokers Pvt Ltd shall be at liberty to refuse the orders placed by the clients for purchase/sale of penny stocks. It is to be noted that trading in such penny stocks is being continuously monitored. Bhargava Lodha Stock Brokers Pvt Ltd, reserves the right to suspend the client account, without giving any notice therefore, if it is found that the client is indulging in trading activities only in penny stocks.

"Penny Stocks" for this purpose shall include the following:

- i. All illiquid securities as notified every month by BSE / NSE;
- ii. All stocks which are highly illiquid and have a low market capitalization;
- iii. All stocks which are restricted for trading by SEBI and/or the Exchanges; and
- iv. Any other securities, which may be restricted for trading by Bhargava Lodha Stock Brokers Pvt Ltd based on its internal valuation.

## 2. Client's exposure limits

The client wise exposure limit will be set by Bhargava Lodha Stock Brokers Pvt Ltd, after taking into consideration the credit balance in the ledger, margin money (in excess of the VarMargin and M2M payable by the client), deposits, the value of shares of the client which are lying with Bhargava Lodha Stock Brokers Pvt Ltd and client profile/financial status. Bhargava Lodha Stock Brokers Pvt Ltd, shall have the right to fix/change the rates of the applicable haircut while determining the value of the shares of the client, against which the exposure limits are given to the clients. It is to be noted that if the client has taken exposure in violation of various position limits prescribed by the Exchanges, the penalty, if any, levied by the Exchanges will be passed on to the client.

## 3. Brokerage rates applicable

The client is required to pay brokerage as per the rate mutually agreed between the Client and Bhargava Lodha Stock Brokers Pvt Ltd, and as per rules regulations and Bye-Laws of the relevant stock exchange and /or rules & regulation of SEBI. at the time of opening the trading account. However, any subsequent change in the brokerage rate will be effected only with the mutual consent of the client and Bhargava Lodha Stock Brokers Pvt Ltd. It is to be noted that all other statutory levies and transaction & clearing charges and other charges levied by the Exchanges/Depositories/Regulatory Bodies would be recovered separately from the client.

## 4. Penalty / Delayed Payment Charges

The clients are required to settle the pay-in / provide margin within the time limits prescribed by the Exchanges / SEBI/ Bhargava Lodha Stock Brokers Pvt Ltd,. In case the client fails to provide the same within the prescribed time limits, Bhargava Lodha Stock Brokers Pvt Ltd, reserves the right to levy Delayed Payment Charges (DPC) on a daily basis from the settlement date on all outstanding obligations. Such DPC shall be debited directly to the client's account at the end of every month. It is to be noted that such DPC will be deterrent in nature & as such cannot be assumed to be financing/funding the client's settlement obligations.

If there is delay on the part of the client in satisfying his / her margin obligation or settlement obligation then Bhargava Lodha Stock Brokers Pvt Ltd shall levy delayed payment charges at the rate of 18% p.a. on such shortfall for the period of delay on such client.

Bhargava Lodha Stock Brokers Pvt Ltd shall recover such delayed payment charges from the client by debiting the client's account Bhargava Lodha Stock Brokers Pvt Ltd, reserves its right to pass on any penalty charged by SEBI/ Exchanges as a result of any violation or non-compliance committed by the client with respect to submitting wrong KYC information, indulging in price rigging & abnormal & circular trades, creating artificial market, doing financial transactions using trading systems of Exchanges etc.

Bhargava Lodha Stock Brokers Pvt Ltd Limited reserves its right to levy penalty / charges on the clients for instances such as bouncing of cheques, wrong information resulting in client code modification etc.,

## **5. Non-payment of dues by the client - Consequences thereof**

In case of purchases on behalf of clients, Bhargava Lodha Stock Brokers Pvt Ltd, shall be at liberty to close out the transactions by selling the securities, without giving notice to the client, in case the client fails to make the full payment to Bhargava Lodha Stock Brokers Pvt Ltd, for the execution of the contract within two days of contract note having been delivered for shares or before pay-in day (as fixed by Stock Exchange for the concerned settlement period), whichever is earlier; unless the client already has an equivalent credit with Bhargava Lodha Stock Brokers Pvt Ltd .The loss, if any, incurred in this regard, shall be borne by the client and will be met from the margin money/deposit of that client lying with Bhargava Lodha Stock Brokers Pvt Ltd. The close out/selling/squaring-off will be only to the extent of combined shortfalls in Margins/MTM/settlement obligations on all segments of Exchanges.

## **6. Closure of the existing position of a client**

Bhargava Lodha Stock Brokers Pvt Ltd, shall have the right to refuse to execute the trades / allow the client to take further position and/or close out the existing position of the client, under the following circumstances:

- a. If there is any order to that effect from any regulatory/statutory authority;
- b. If there is any enquiry/investigation by any regulatory/statutory authority into the affairs of the client;
- c. Non-receipt of funds / securities and / or bouncing of cheques received from the client towards the obligations / margin /ledger balances;
- d. In case of breach of the limits set out by the Exchanges/SEBI/ Bhargava Lodha Stock Brokers Pvt Ltd, and
- e. Due to any force major event beyond the control of Bhargava Lodha Stock Brokers Pvt Ltd.

## **7. Shortages in obligations arising out of internal netting of trades**

Internal Shortage arises when the buyer and the seller of a scrip (other than T or BE Group scrips) are clients of Bhargava Lodha Stock Brokers Pvt Ltd and the seller fails to deliver the scrip to fulfill his settlement obligation. The internal shortages are marked against the client randomly at the sole discretion of Bhargava Lodha Stock Brokers Pvt Ltd, taking in to account the delivery obligations through Exchanges. The short delivering client (seller) is provisionally debited by an amount equivalent to the closing price of that scrip on the trade day (T Day). The scrip delivered short is then, purchased from the market on T+ 2 Day. On T+2 day, an Auction Bill, as per the Exchange Rules, is raised on the seller for the standard rate or auction rate Provided by the Exchange, whichever is higher, along with the reversal entry of provisional amount debited earlier. Once the payout of that scrip is received from Exchange (on T+ 3 Day), the same will be transferred to the demat account of original buyer client.

## **8. Temporary Suspension / Closure of the client's account**

Bhargava Lodha Stock Brokers Pvt Ltd, shall keep the client's account suspended/closed for a temporary period of time at the specific written request, 15 days in advance, of the client, under certain circumstances such as the client going out of the town/country, undergoing medical treatment requiring his hospitalization etc., However, such suspension / closure will be effected, subject to clearance of all dues and settlement obligations by the client. During the period of such temporary suspension, trading in the client's account shall not be permitted. Notwithstanding any such suspension / closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure / suspension shall continue to subsist and binding on the client. The client's account shall be reactivated only at the specific written request of the client.

## **9. Deregistering a client**

The client is required to give details of action, if any, taken against him by SEBI or any other regulatory authorities in the KYC/Client Registration Form. Bhargava Lodha Stock Brokers Pvt Ltd shall have the right to deregister the client, if it is found, later on, that the client's name appears in the list of entities debarred by SEBI or any other regulatory authority. Bhargava Lodha Stock Brokers Pvt Ltd shall have the right to de register a client, if the client breaches the terms and conditions of the member - client mandatory & voluntary client registration document or provides any false information or declarations or is found to be indulging in any of the activities in violation of the applicable Rules and Regulations.

## **10. Inactive Trading Accounts**

Bhargava Lodha Stock Brokers Pvt Ltd shall treat those clients' accounts as inactive/dormant, if there is no trading in such accounts continuously for 3 years. No further trading will be allowed in such inactive/dormant accounts. Such inactive/dormant accounts will be reactivated only on a request made by such clients.

## **By.- Bhargava Lodha Stock Brokers Pvt Ltd**

I hereby acknowledge that I have received, read and understood the significance of this document on the policies and procedures followed by Bhargava Lodha Stock Brokers Pvt Ltd

Client Sign : \_\_\_\_\_