

## **POLICIES AND PROCEDURES**

The document outlines various policies and procedures framed and followed by **Investeria Financial Services Pvt.Ltd**, Herewith referred as **INVESTERIA** (with respect to its dealing with its clients as a stock broker on National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd (BSE) (collectively hereinafter referred to as "the Exchanges"), The policies and procedures as stated here in. below are subject to change from time to time at the sole discretion of INVESTERIA, depending upon regulatory changes its risk management framework, other market conditions, etc.

### **≡ REFUSAL OF ORDER FOR PENNY STOCK**

1. Although, the term 'Penny Stock' has not been defined by BSE / NSE or any stock exchanges, & SEBI. A penny stock generally refers to a stock which has following mentioned characteristics:
  - ✓ Has small market capitalization;
  - ✓ Trades at a price less than its face value;
  - ✓ Has unsound fundamentals;
  - ✓ An illiquid (A list if illiquid securities are jointly released by NSE / BSE from time to time.)
2. INVESTERIA recognizes that it is client's privilege to choose shares in which he/she would like to trade. However, INVESTERIA like to have special attention to dealing in 'Penny stocks'. To this end,
3. **Investeria Financial Services Pvt.Ltd** (INVESTERIA) 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 having low liquidity, illiquid "options", far month "options", writing of "options", and any other contracts which as per the perception of INVESTERIA are extremely volatile or subject to Market manipulation without assigning any reason for the same and if its allowed then only against the clear fund balance of client lying with us on receipt of specific client request & management consent.
4. GSM scrips are blocked by us and clients are not allowed to buy the any stage of GSM scrip's unless receipt of client request and agreed on exchange terms & condition as funds are blocked by exchange as 2 & 3 times accordingly & release after completion of quarter & review of same, whichever is earlier and it depend upon exchange circular updated by exchange from time to time.
5. INVESTERIA may permit restrictive acceptance of orders in such 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.
6. INVESTERIA shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client.
7. Clients must ensure that trading in 'Penny stock' doesn't result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in 'Penny stock' doesn't operate as a device to inflate or depress or cause fluctuations in the price of such stock.
8. INVESTERIA may take appropriate declarations from the clients before accepting such orders.

9. INVESTERIA 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 INVESTERIA itself.
10. Clients are expected not to place orders in penny stocks at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of INVESTERIA.
11. In case of sale of penny stocks, client should ensure delivery of shares to INVESTERIA before the pay- in date.

## ≡ **SETTING UP CLIENT'S EXPOSURE LIMITS**

### **Cash Segments**

- ✓ Exposure based and / or Margin based limits will be given to the clients for doing trades in Cash Segment.
- ✓ Limits will be given on the basis of credit balance and / or collateral / securities of the client available with INVESTERIA valued, after haircut.
- ✓ Exposure based limit may be given to the clients in certain multiples (multiples times may be decided by INVESTERIA at its sole discretion from time to time) on the available credit balance and / or on the collateral / securities of the client available with INVESTERIA valued after haircut. However, on case to case basis the excess limits may be allowed.
- ✓ Margin based limit may be given to the client on the applicable VaR as may be decided by INVESTERIA from time to time on the available credit balance and / or on the collateral / securities of the client available with INVESTERIA valued after haircut. However, on case to case basis the excess limits may be allowed.
- ✓ Securities shall be valued after appropriate hair cut based on the type of scrips, nature of scrip, liquidity, volatility of scrip; etc. from time to time.
- ✓ INVESTERIA may at its sole and absolute discretion allow clean exposure limit up to certain amount to the client without insisting for any credit balance and / or margin. The quantum of clean exposure limit shall be decided by INVESTERIA.
- ✓ On a case-to-case basis INVESTERIA may, at its sole and absolute discretion, give higher clean exposure limits to certain set of the clients.
- ✓ INVESTERIA reserves the right to withdraw clean exposure limit granted to the client at any point of time at its sole and absolute discretion. The client cannot and shall not raise any concern dispute for the same and under no circumstances, INVESTERIA shall be held responsible for alleged / consequential opportunity loss or financial loss to the client.

### **Derivatives Segment**

- ✓ Margin based limits will be given to the clients for doing trades in Derivatives Segment.
- ✓ Limits in Derivatives Segment will be given on the basis of free credit balance and / or collateral/ securities of the client available with INVESTERIA valued after haircut.

- ✓ Securities shall be valued after appropriate hair cut based on the type of scrips, nature of scrip, liquidity and volatility of scrip, etc. from time to time.
- ✓ A client will be normally allowed limits till the client has free credit balance and / or collateral / securities valued after haircut. In case of excess limit is availed, the same will be regularized by the end of trading session / day. However, on case-to-case basis the excess limit may be allowed to be carried forward.
- ✓ INVESTERIA may from time to time depending on market conditions, profile and history of client, type and nature of scrip, etc., may at its sole discretion change the rate of haircut applicable on the securities / collaterals, number of times the limits to be given in Cash and/ or Derivatives segments and take such steps as INVESTERIA may deem necessary.

### ≡ **APPLICABLE BROKERAGE RATE**

- ✓ The brokerage rate applicable on client's trades will be as per agreed rates as mentioned in the Tariff Schedule at the time of opening the client trading account.
- ✓ Any higher brokerage will be levied only if agreed in writing between INVESTERIA and the client or by advance notice of 15 days by INVESTERIA to the client.
- ✓ If the client has any grievances' regarding the rate of brokerage charged then he should intimate the same to INVESTERIA within reasonable time of receipt of the contract note.

**Note: The brokerage rate at no point of time will exceed the rates as may be specified by the Exchanges /SEBI from time to time. Unless otherwise agreed the brokerage will be exclusive of the levies / charges as mentioned in the Tariff Sheet.**

### ≡ **IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES**

- ✓ In case of delay in payment by the client to INVESTERIA on its due date, INVESTERIA in respect of such delayed payment will be entitled to recover late / delayed payment charges from due date. The said delayed payment shall include amounts payable by the client to INVESTERIA in respect of initial margin, mark to market, shortfall of margin(s) in prescribed modes, and / or other margins, ledger debits due to charges and pay-in obligations.
- ✓ Late payment charges will be levied 0.05% Per Day on Account Debit (Negative Balance). The trade of the client may not be executed by INVESTERIA if the client does not clear dues along with delayed payment charges. The client will not be entitled to any interest on the credit balance / excess margin available / kept with INVESTERIA.
- ✓ A delayed payment charge is applied to act only as a deterrent measure. The client should not construe it as funding arrangement.
- ✓ The client cannot demand continuation of service on a continued basis citing levy of delayed payment charges.

- If a client has short delivered any securities against his/her pay-in obligation towards a counter
- Further where the 'INVESTERIA 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 order / trades / deal / actions of the client, the same will be borne by the client.

### **≡ THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES.**

- The client is required to pay adequate margin / pay-in obligations in full and to ensure that the required margin /pay-in obligations is made available to INVESTERIA in such form and such manner as may be required by INVESTERIA from time to time.
- The' client shall fulfill all its obligations / Liabilities / dues to INVESTERIA, failing which INVESTERIA has the right not the obligation to square up all or any outstanding position and / or take offsetting positions and / or sell the margin / securities available with INVESTERIA without giving any notice to the client.
- INVESTERIA may also square up all or any outstanding position and / or sell the securities / collateral available with INVESTERIA as a part of risk management at any time without giving any notice to the client.
- In case of purchase on behalf of client, the INVESTERIA may close out its transactions by selling securities, in case the Client fails to make full payment to INVESTERIA for the same before the time intimated by INVESTERIA. In case of sale on behalf of client, the INVESTERIA may close out its transaction by purchasing the securities. The client shall be liable for any losses, costs and be entitled to any surplus, which may result from the above.

### **≡ POLICY ON HANDLING OF CLIENT'S SECURITIES**

- Entire securities received in payout shall be transferred to the client's BO account by the broker if the total amount outstanding from the client is realized in full by way of receipt of clear funds, but considering the future obligation of unsettled transactions and margin payable on the same.
- SEBI guidelines (November 2022 onwards) with regards to the unpaid securities state that the securities that have not been paid for in full by the clients; should be transferred to respective client's demat account followed by creation of an auto-pledge (without any specific instruction from the client) with the reason" unpaid" in favor of a separate account titled "Client Unpaid Securities Pledge Account (CUSPA)", which would be opened by INVESTERIA.  
Accordingly, we may at our discretion on a case-to-case basis create the pledge for unpaid securities for any debit balance with approximately 150% of the debit value (or as per regulatory guidelines) to take care of any movement in market prices of the securities. Such securities may be liquidated to clear debit any time before release of pledge.

- If a client has short delivered any securities against his/her pay-in obligation towards a counter
- ≡ **SHORTAGES IN OUT OF INTERNAL OBLIGATIONS ARISING NETTING OF TRADES**
- party who is also a client of the Stock Broker and the same has resulted into internal shortage, the following policy is applicable:

1. The Stock Broker shall do the close-out which shall be T day highest price +10%.
  2. The above additional 10% will be debited to the defaulting selling client and credited to the buying client.
- The Company reserves the right to amend/modify any of the policies/procedures mentioned above from time to time depending upon regulatory, market, external conditions and our internal risk management framework, and the customers can obtain such change/ modification from the Company's website / app.

≡ **SQUARE OFF POLICY**

- Intraday products square-off timings:

Equity	: 3.10 P.M onwards
Equity Derivatives	: 3.10 P.M onwards

Note: that intraday square off timings can change based on the discretion of INVESTERIA.

- The Client is solely responsible for squaring off all open positions within these times. If any intraday position or an MIS trade is not squared off on the same day due to any reason, including link or system failure or any risks associated with internet/wireless-based trading which may occur at the end of the Client, INVESTERIA or the respective Exchange.
- It shall be treated as a Cash and Carry ("CNC") or NRML position and carried forward to the next trading day. In case such a situation arises, the onus of squaring off the position will be on the Client.
- Our RMS desk shall square off any such position, without the requirement of a margin call, if the necessary cash is not available in the Client's account, at the discretion of INVESTERIA. A charge of ₹50 + GST will be applicable for all positions squared off by our RMS desk, including auto square off.
- All BO, CO and MIS positions will automatically be squared off at the end of each trading day.
- INVESTERIA has the rights but is not under the obligation to cancel all pending orders and to sell / close / liquidate all open positions / securities at the pre-defined square off time or while Mark-to-Market (MTM) percentage, whichever is earlier. INVESTERIA will have sole discretion to decide referred stipulated margin percentage depending upon the market conditions.
- In the vent of such square off, the client agrees to bear all the losses based on the actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchanges(s).

- ✓ The failure of KLFS to close out the position or sell / liquidate the collaterals shall not render it ineligible to take other legal options against the clients who have failed to make payments to the INVESTERIA.

### ≡ **TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST**

- ✓ In line with regulatory requirements, upon the explicit request from a client to block the online access to their trading account through any of the modes mentioned in the forthcoming sections, all efforts will be taken by INVESTERIA Personnel to fulfil the request as per the below timelines:
  1. For requests received within trading hours, all efforts shall be taken to block the account within 15 min.
  2. For requests received after trading hours up until before the market opening time, all efforts will be taken to block the account before the start of the next trading session.
- ✓ Clients can report suspicious activities on their trading account via the following mediums:
  1. By mailing on the dedicated email ID: [stoptrades@investeria.in](mailto:stoptrades@investeria.in)
    - a. Clients are recommended to mail from their registered email address (email ID registered with INVESTERIA).
    - b. Clients are requested to give relevant and detailed information regarding the suspicious activity they have noticed on their trading accounts.
  2. By calling the dedicated number: **+91-xxxxxxxxxx** (Monday – Friday between 8:30 am and 5:00 pm (excluding trading holidays)
    - a. Clients should call the dedicated number, **+91- xxxxxxxxxxxx**, from their registered phone numbers (number registered with INVESTERIA).
    - b. Please note that stringent identity verification will be conducted before considering any client's block requests. Hence, all clients are requested to keep all basic Personal Identification Information (PII) handy to facilitate the smooth and fast processing of requests.
- ✓ Details of open positions (if any) shall be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account.

### ≡ **DEREGISTERING A CLIENT**

- ✓ INVESTERIA may in its absolute discretion, decide to deregister a particular client. The illustrative circumstances under which INVESTERIA may deregister a client are given below:
  1. SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market.
  2. Such client has been found & investigated by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market.

3. Such client is suspected found of indulging in illegal or criminal activities including fraud or money laundering.
4. Such client's name appears in the UN list of prohibiting entities or SEBI debarred list.
5. Such client's amount has been lying dormant for a long time or and the client is not traceable.
6. Physical contract notes are received back undelivered due to reasons like "no such person",
7. "Addressee" left, refusal to accept mails, signature mismatch on POD's or other reasons which may create suspicion.
8. DCN failed (bounced email) on more than 3 instances until client submits and registers new email id.
9. Non-delivery of the Statement of Account sent on periodic basis.
10. Non-Updation of communication details viz., email id, mobile no., landline details or it is found to be belonging to a third person.
11. Client lodges a complaint either directly with INVESTERIA or through Exchange relating alleged.
12. Unauthorized Trades being executed in the account.
13. Based on the recommendations made by the branch manager due to excessive speculations, unclear balances.
14. Any suspicious clients as address not found, email id bounce, number invalid
15. Such client has been declared insolvent by any legal proceedings to declare him/her.
16. Such client has been irregular in fulfilling obligations towards margin or settlement dues.
17. Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of INVESTERIA or may act as detriment to INVESTERIA's prospects.
18. Client is reported as written request to or known to have expired.

### ≡ **POLICY FOR INACTIVE CLIENT**

Below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months:

- a) Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments\* of the exchanges through the same Member or \*Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.
- b) Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or
- c) Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/Registered status.

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by INVESTERIA in UCC database of all the respective Exchanges and Back Office simultaneously.

- All the accounts marked as “INACTIVE/DORMANT” will be monitored periodically by KYC/ops to avoid unauthorized transactions in the account.
- Regulators may initiate appropriate disciplinary action in case if any trades are executed in any account flagged as ‘Inactive’.
- Once the code is deactivated with Dormant flag, trading code is removed from Trading terminal i.e. client cannot trade, unless client start reactivation process.
- Actual settlement of fund shall be done as per norms/ guidelines provided by the Exchanges/ SEBI from time to time.
- INVESTERIA will send the communication/notification to the clients prior to flagging their trading account as inactive however such communication/notification should not ask the clients to trade in order to prevent their accounts from being flagged as inactive.
- INVESTERIA will exercise appropriate due diligence of the client on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with respective KYC policies.