

**Mandatory document dealing with Policies and Procedures pursuant to SEBI's Circular  
MIRSD/SE/Cir - 19/2009 dated 03<sup>rd</sup> December 2009**

**Policies and Procedures forms integral part of the Member Constituent Agreement :**

1. **Refusal of order for Penny Stocks:** GSV shall have the 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 / shares which are extremely volatile or subject to Market manipulation.

GSV may permit restrictive acceptance of orders in such scrips / contracts in controlled environments like orders received from clients being forwarded by branches / sub brokers to HO instead of allowing them at branch / sub broker level. GSV may cancel orders in such scrips received from clients before execution or after partial execution without assigning any reasons there of GSV may take appropriate declarations from the clients before accepting such orders. GSV shall not be responsible for delay in execution of such orders and any opportunity / financial loss to the client.

2. **Setting up Client's Exposure Limits:** GSV may have its own policy to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past trading record of each client and volatility in the market which may vary from time to time.

GSV may provide an exposure limit for intra day and delivery to a client which would be a multiple of the clear ledger balance in the account of the client along with collateral values after appropriate haircut. The value of multiple and haircut shall be decided as per Market volatility, quality of collaterals, credit worthiness, integrity and past trading record of each client which may vary from client to client and from time to time.

GSV may provide a sell limit to the client equivalent to the value of securities held by the client in his POA enabled Demat account with our CDSL DP and the collaterals held with us in our Beneficiary / Margin account on behalf of clients after making appropriate adjustments for the unsettled delivery positions of the client.

GSV may provide Exposure for Futures and Options writing in Derivatives segment based on availability of Initial Margin (Span+ Exposure + MTM) in the form of clear ledger balance. Considering collaterals after appropriate haircut is at the sole discretion of GSV. However the buying of Options in Derivatives segment may be allowed on the premium value against the clear ledger balance available in Client's account.

3. **Applicable Brokerage rates:** Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration of the client subsequently through a written agreement between the client and GSV. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange bye laws.

The slab rates of brokerage fixed by us are function of the quality and cost of services provided to the client and the volume and revenue expected from an account. It shall be reviewed by us from time to time and may be increased with prospective effect at a notice of 15 days sent to the email address or postal address of the client registered with us.

The Brokerage shall however be exclusive of DP Charges, Account opening charges, delayed payment charges, penalties levied by Exchanges, courier charges, bank charges towards cheque bounces and SEBI/ Exchange / CM turnover or any other charges levied by regulatory and statutory bodies from time to time.

4. **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) :** As per the Exchange bye laws, the Member has to make pay in of funds to the Exchange by T+2 morning and arrange delivery of securities to the Exchange latest by T+2 morning. Further Member broker is also required to maintain adequate upfront margins with the exchange to avail exposure for trading. The exchanges have also defined the ratios in which the cash and collaterals are to be maintained by the Member broker.

In order to manage its operations, GSV requires full cooperation of the clients in meeting their respective obligation towards pay in and margins.

GSV is therefore authorized by the client to charge a delayed payment penalty not exceeding 0.10% Per day on account of delays / failure by the client in meeting the pay in obligations on the scheduled date in both Cash & F&O Segment. While levying delayed payment charges in the running account of a client, GSV may not consider any credit balance in the other family or group accounts of the client.

**Penalties levied by the Exchanges:** Further Exchanges levy various penalties on the member brokers on auction resulting from short deliveries, non adherence to client wise exposure limits, client wise shortfalls in F & O Margin and for other reasons which may be defined by the Exchanges from time to time. GSV is therefore authorized by the client to pass on any penalty imposed by the Exchange/SEBI and or any other regulatory authority to the client, which arises on account of the client.

GSV provide exposure against the upfront margins received in the form of cash / collateral from the client and the client also has the right to withdraw Cash and collaterals at his/ her discretion, GSV shall not pay any interest other benefit to the client for maintaining cash balances or depositing collateral margins.

5. **The right to sell client's securities or close client's positions without giving notice to the client, on account of non payment of client's dues (This shall be limited to the extent of settlement / margin obligations):** GSV is having the right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay / failure of the client to meet the pay in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk in the dynamic market conditions.

In case of unpaid obligations on T+3 basis, GSV may sell the unpaid / partially paid securities. In addition GSV may sell the collaterals deposited by the client towards margins and or paid securities purchased by the client in earlier settlements where the sale proceeds of unpaid securities are inadequate to cover the pay in obligations and where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required. GSV may follow LIFO method for liquidation of securities but it may not binding on it to follow this method in all cases.

**Margin shortfalls in F & O:** Positions of the client may be closed out to the extent of margin shortfall on the T+1 basis. While computing margin shortfall value of unapproved securities shall not be considered. GSV reserves the right to consider the collateral.

**Intra day Positions:** GSV shall have right to close out any intra-day positions taken by the client after a defined "Cut off" time (Presently 15 minutes before close of market).

While selling the securities / closing the client's positions, GSV may take into account the sales made by the client, positions closed by the client or collections received from the client till a cut off time. While selling the securities / closing the client's positions, GSV may not take into consideration cheques / drafts/ pay orders deposited by the client with it until clear proceeds of such instruments are received by it in its bank account.

GSV shall have the right to sell client's securities or close out client's open positions but it shall not be under any obligations to undertake this exercise compulsorily. GSV shall therefore not be under any obligation to compensate / or to provide reasons of any delay or omission on its part to sell client's securities or close open positions of the client. The ultimate responsibility risk and liability of the trades are binding on the client.

6. **Shortages in obligations arising out internal netting of trades:** GSV shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy.
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:** Where the client is not having adequate margins as per conditions defined in Risk Management Policy.

**In Cash Segment :** Where the client has not able to meet his pay in obligation in cash by the schedule date of pay in, irrespective of the value of collaterals available with GSV. Clear proceeds of



the cheque deposited by the client to meet the pay in obligations has not yet been received by GSV. Client is trading in "illiquid" securities and volumes in his account exceed internal cut off limit fixed by GSV. GSV exposure at "house level" in a specific scrip / contract exceeds the internal limits fixed by it.

**In Derivatives:** Where the client has not met the margin and has not met Market to Market loss in cash. Where the open positions in a contract exceeded or are close to market wide cut off limits. Where the client's position is close to client wise permissible "open" positions.

**Intraday:** Clients may not be able to place intra day orders after a cut off time fixed by us. (Presently 15 minutes prior to close of market)

8. **Temporarily suspending or closing a client's account at the client's request:** GSV may carry a periodic review of the client accounts and may suspend the accounts from trading in the following circumstances:

- Where the client is inactive for more than 3 months.
- Where the client account is under investigation by any regulatory body.
- Where the client has not cleared the naked or uncovered debits which are more than 7 days' old.
- Non-delivery of statement of accounts sent on period basis.
- Physical contract notes are received back undelivered due to reasons like "No such person", "addressee left", refusal to accept, or other reasons which create suspicion.
- DCN failed (Bounced email) on more than 3 instances until client submits and registers new email id.
- Non-updation of communication details like email id, mobile number, land lines details or if it is found to be belonging to the third person.
- On notices received from Statutory, government or local authorities and Income Tax, Service Tax authority etc.
- Where a client is reported to or known to have expired.
- Any other reason at the descretion of GSV.
- Written request from the client for suspension.

9. **Deregistering a Client:** GSV may deregister a client on the following circumstances:

- Any action taken by SEBI / NSE or being part of list of debarred entities published by SEBI.
- On basis of information found in sites of CIBIL, Watch out Investors, or client having suspicious back ground, link with suspicious organization etc.
- GSV shall have right to close out the existing positions; sell the collaterals to recover its dues, if any, before de registering the client.
- GSV shall have the right to deregister a client after serving a 15 days written notice without assigning any reason thereof.

**I / we have clearly understood and agree to abide by aforesaid policies and procedures.**

**I /we also understand and agree that these policies and procedures can be changed from time to time.**

**I /we understand that GSV shall have the right to implement all the above policies but shall not be under any obligations to undertake this exercise compulsorily. The ultimate responsibility, risk and liability of the trades are binding on the client**

47



Client Name & Code : \_\_\_\_\_

Date: \_\_\_\_\_