

## Policies and Procedures

\* KSPL refers to Krishvi Securities Pvt. Ltd.

### a. Refusal of orders for "Penny Stocks"

Although, the term "Penny Stock" has not been defined by BSE or any other stock exchange or by SEBI, a "Penny Stock" generally refers to a stock, which has following characteristics:

- Has small market capitalization;
- Trades at a price less than its face value;
- Has unsound fundamentals;
- Is illiquid  
(A list of illiquid securities is jointly released by BSE from time to time.)

KSPL recognizes that it is the client's privilege to choose shares in which he / she / they would like to trade. However, KSPL likes to pay special attention to dealing in "Penny Stocks". To this end:

- KSPL may refuse to execute any client's orders in "Penny Stocks" without assigning any reason for the same.
- Any large order for purchase or sale of a "Penny Stock" should be referred to Head – Dealing before such orders can be put in the market for execution.
- Clients must ensure that trading in "Penny Stock" does not result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in "Penny Stock" does not operate as a device to inflate or depress or cause fluctuations in the price of such stock.
- 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 KSPL.
- In case of sale of "Penny Stocks", clients should ensure the delivery of shares to KSPL before the execution of trade or on the day of trade executed.

### b. Setting up client's exposure limit

- Exposure limit for each client is determined by the Risk Management Department based on client's net worth information, client's financial capacity, prevailing market conditions and margin deposited by client in the form of funds / securities with KSPL. These limits may be scrip-wise.
- The limits are determined by Risk Management Department based on the above criteria and the payment history of the client.
- KSPL retains the discretion to set and modify, from time to time, any client's exposure limit decided as above.
- Whenever any client has taken or wants to take exposure in any security, KSPL may call for appropriate margins in the form of early pay-in of shares or funds before or after execution of trades in the Cash segment. In case of any margin shortfall, the clients will be told to reduce the position immediately or they will be requested to deposit extra margin to meet the shortfall. Otherwise, KSPL may refuse to trade on behalf of such client at its own discretion.

### c. Applicable Brokerage Rate

- Brokerage Rate is mutually decided between KSPL and each client based on client's net worth, expected trading volume, etc. The maximum brokerage chargeable will not exceed the rates prescribed by SEBI and the exchanges.
- The applicable brokerage rate will be mentioned in the Client registration form and any change in the brokerage rate in future will be communicated to the client.

- settlement in the cash market.
- d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

#### IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter, Stock exchanges give a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

#### DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.