



# **MSE Financial Services Ltd.**

*We initiate - You create*

“Exchange Building”, No.11 Second Line Beach, Chennai 600 001

## **POLICY & PROCEDURES**

### **1. De-registering of client**

The clients shall be entitled to terminate the agreement with immediate effect in any of the following circumstances.

- a. on the death/disability of the client
- b. client suffers any adverse material change in his/her financial position or defaults in any other agreement with broker
- c. client is in breach of any terms, condition of the agreement
- d. client has made any misrepresentation of fact.
- e. Client voluntarily wants to close the account, subject to payment of all dues to the Company

### **2. Temporarily suspending or closing client account at client request:**

On the request of the client in writing, the client account will be suspended temporarily and same is re-activated on the written request from the client. During the suspension period, the settlement activities of the client will take place and the trading in that account is prohibited.

On the request by the client in writing, the client account can be closed provided the dues of the client is settled. If the client wants to re-open the account, the KYC requirements has to be completed again.

### **3. Re-activation of dormant/inactive client account:**

Clients who have not traded for a period of 12 months, the respective account will be treated as DORMANT/INACTIVE .To ascertain, the identification of such client will be done at the beginning of each month where the clients who do not trade even for a single day will be considered as DORMANT/INACTIVE and the available shares/funds as per the ledger balance will be transferred to the respective client within 7 days from the date of identifying the client account as inactive.

For re-activation, the client has to make a written /email request stating the reasons for not trading during the period. Based on the reply , the said client account will be activated

### **4. Setting of exposure limits & Conditions under which client may not be allowed to take further positions or broker may close the existing position of client:**

The trading limit per client of sub-broker will be 8- times of the credit balance available in the account of the respective client and additional deposit, if any given by the client / sub-broker. Clients may be allowed to take positions (margin consumed) upto the amount of credit available to his account or to the extent of the deposits made by the sub-brokers. This trade limit may be modified/altered as per the Surveillance/RMS measures without any notice to the client / subbroker.

In case of increase in trading limits sought during market hours, either the SBs or their clients shall transfer funds to the Account of MSEFSL on-line and request for such increase, in writing, either through fax or e-mail.

Additional capital deposited by the sub-broker / client will be refunded only on request from the respective sub-broker / client, on T+4 day from the date of receipt of deposit by MSE FSL

The trading limits for the clients may vary/reduced or imposed new limits on the basis of the risk perception of the Company. MSEFSL shall not be responsible for such variation/reduction in limits/inability to route any order through the system on account of any such variation / reduction/imposition of limits.

The losses incurred if any by the clients due to the setting of limits by the Company due to risk perception, shall be borne exclusively by the client alone.

**5. Applicable brokerage rate:**

Brokerage will be charged within the limits prescribed by the Exchange/SEBI.

**6. Right to sell client position without notice on account of non-payment of dues:**

MSEFSL will liquidate/close-out all or any one of the clients position limits to the outstanding amount, without giving notice to the client for non-payment of margins/any other amount including pay-in obligation and outstanding dues etc and adjust the proceeds of such liquidation/close-out if any, against the client liabilities/obligations.

**7. Imposition of Penalty/delayed payment charges:**

When a client has purchase position on T-day and subsequently sold the securities on T+1 day, if the pay-in obligation is defaulted by the client, a minimum penalty of Rs.100/- per day of default or @ 24% p.a. on the amount of default (whichever is higher) will be charged to the client and his account will be debited accordingly.

In case of non-payment of settlement dues, the securities will be withheld and transferred to the House A/c. of MSEFSL. Subsequently when the client's A/c. has credit balance, the securities will be re-transferred to his Demat A/c. Necessary demat charges for effecting transfer of securities will be debited to the Client's account.

In case of default in pay-in of securities which are in T-by-T group, such securities will be squared-up as per the procedure followed by the respective Exchanges and necessary amount will be debited to the Client's account. (for BSE - closing price on T+2 day + 10% or contract rate whichever is higher)

**8. Shortages in obligations arising out of internal netting of trades:**

In case of client-to-client short(internal short)of securities in a settlement, such securities will be squared-up by MSE FSL, as per the procedure laid down by the respective Exchanges (for BSE - closing price on T+2 day + 10% or contract rate whichever is higher)

**9. Trading in Penny Stocks:**

The PENNY STOCKS will be identified monthly as per the list provided by BSE through their notices. The trading in the penny stocks will be closely monitored by the Surveillance executives of the Company. The limits may be fixed either quantity based or value based depending upon the market condition and RMS policy of the Company. The Company reserves right to refuse to provide the limit in penny stocks and losses if any on account of such refusal shall be borne by the client only.

**10. Client Acceptance of Policies and Procedures stated herein above:**

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforce ability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator / mediator etc.

Name of the Client:

Signature of the Client : *S* \_\_\_\_\_

Client Code :

Date: