

## POLICIES AND PROCEDURES OF TRADEBULLS SECURITIES (P) LIMITED

This document contains the policies and procedures of Tradebulls Securities (P) Limited formally known as Tradebulls for all segments as are presently in force in relation to:

1. Refusal of orders for Penny / Illiquid Stock
2. Applicable Brokerage limit
3. Setting up of exposure limits
4. Delayed payment charges
5. Squaring off of market positions, collaterals & other securities
6. Market and internal shortages
7. Refusal of Client requests for fresh positions
8. Suspension of Client's a/c and deregistering of the client
9. Policy regarding treatment of inactive accounts
10. Policy for Handling GTC & GTT Orders

**1. Penny / Illiquid securities:** Tradebulls shall from time to time classify and publish on its website a list of securities which are illiquid as per the list of illiquid securities notified on a periodic basis by the Stock Exchanges concerned and / or based on such internal criteria as Tradebulls may deem fit. Tradebulls reserves the right to refuse execution of any transaction requests of the client on such illiquid securities or to reduce the open market interests of the client in such securities. Tradebulls also reserves the right not to allow any trades or transactions in respect of certain securities or segments or orders/requests which may be below / above certain value / quantity as may be decided by Tradebulls from time to time.

### **2. Applicable Brokerage:**

- 2.1. Tradebulls shall levy brokerage for the client's transactions as per the brokerage slabs mutually agreed with the client in writing in the Client Registration Form subject to the maximum rate prescribed by the Stock Exchanges / SEBI.
- 2.2. Subject to such maximum prescribed rates, Tradebulls may revise the rates from time to time after advance intimation to the client of the revised rates and the date on and from which the revised rates shall take effect. However in case of any upward revision in brokerage, Tradebulls will give 15 days advanced intimation to the client. Tradebulls may intimate the revised rates in writing addressed to the client and by publishing the rate on its back-office website. The client shall intimate its objection(s) if any to the revised brokerage in writing within 15 (fifteen) days of receipt of intimation of the change in brokerage. The client shall be deemed to have agreed to the change in brokerage rates if he does not intimate any objection thereto within the time prescribed.
- 2.3. Brokerage shall be paid in the manner intimated by Tradebulls to the client from time to time together with the service tax and statutory levies and duties as may be applicable from time to time on the same.
- 2.4. Without prejudice to the absolute obligation of the client to

pay / reimburse monies to Tradebulls as set-out above, Tradebulls shall also be entitled to set-off and appropriate any monies that may be placed with or available with Tradebulls for and/or on behalf of the client towards any dues of the Client to Tradebulls, arising howsoever.

### **3. Setting up of Exposure limits:**

3.1. Tradebulls shall be entitled to sanction trading limits to the Client based on the margin lying to the credit of the Client in the form of funds / securities / bank guarantees / fixed deposit receipts. Tradebulls at its sole discretion may refuse to accept any security as collateral / margin. Tradebulls shall from time to time publish a list of securities which would be acceptable as collateral/margin. In setting exposure limits for the Client, Tradebulls shall be entitled to consider such factors as it may deem fit, including without limitation, the client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of Tradebulls and such other factors or conditions which Tradebulls may consider relevant for the purpose. Tradebulls reserves liberty to vary the trading/exposure limits of the client depending upon its risk assessment from time to time having regard to the changes in any of the factors or market conditions bearing on the risk profile of the client.

3.2. Neither Tradebulls, nor any affiliate of Tradebulls nor their respective directors, officers, employees, agents shall in any circumstances be liable for any direct or indirect loss, cost, liability, expense or damage (including without limitation all legal fees and expenses) arising from any variation or reduction of exposure or turnover limits by Tradebulls.

### **4. Delayed payment and consequences:**

4.1. Notwithstanding anything contained in these presents and without prejudice to margin funding guidelines issued by SEBI, any amounts which are overdue from the client in any trading segments shall be liable to delayed payment charges at the rate of 0.06% per day + taxes if applicable or part thereof or such other rate as may be determined and communicated by Tradebulls. Tradebulls is authorised to debit the delayed payment charges to the account of the Client at the end of each month/such other interval as may be decided by Tradebulls.

4.2. The benefit of non-cash collateral will be restricted to the extent of available cash collateral. In order to facilitate the margin obligations, Tradebulls may need to contribute a cash component, where the cash component is not maintained by clients in their account. To cover the cost of maintaining this cash collateral, Tradebulls will apply an interest charge 0.04% per day + taxes if applicable or part thereof or such other rate as may be determined and communicated by Tradebulls. Tradebulls is authorised to debit the interest charges to the account of the Client every fortnight/such other interval as may be decided by Tradebulls.

4.3. Without prejudice to Tradebulls other rights and to the extent

permissible under Applicable Laws, Tradebulls shall be entitled to liquidate / close out all or any of the client's positions for nonpayment of margin or other amounts, outstanding debts, etc, and adjust the proceeds of such liquidation / close out, if any, against the Client's liabilities / obligations. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the client.

4.4. Tradebulls shall be entitled to suspend or terminate the member client relationship without prior notice if the Client fails to fulfil his / its payment obligations hereunder, under the Rights and Obligations / Terms and Conditions mentioned in this document or otherwise due to Tradebulls.

4.5. Tradebulls shall not be obliged to return any money, margin or otherwise to the client until the client has satisfactorily discharged all its payment obligations or other obligations as specified in Client Registration Document.

**5. Tradebulls right to square off:** Without prejudice to Tradebulls other rights (including the right to refer a matter to arbitration), in the event of the Client failing to maintain/supply applicable margin money required to sustain the outstanding market positions of the Client, Tradebulls shall be entitled, at its option and liberty, to liquidate/close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off. The Client understands and accepts that authority of Tradebulls to square off outstanding market interests of the client in the event of the client failing to furnish margin money immediately on demand is carte blanche qua the entire outstanding position and the client shall not, as a matter of right, be entitled to reduction of the outstanding positions in stages in order that positions to the extent of available margin are retained in the client's account. Tradebulls may also sell off all or any securities of the client lying with Tradebulls as collateral or otherwise, for any amounts due by the client and adjust the proceeds of such liquidation/close out against the client's liabilities / obligations to Tradebulls. Any and all losses and financial charges on account of such liquidation / closing-out shall be charged to and borne by the client. Client shall keep and hold Tradebulls indemnified and harmless from any loss arising out of such closing out / squaring off. Such liquidation or close out of positions shall apply to any segment in which the client does business with Tradebulls.

**6. Market and internal shortages:** The client hereby agrees that if he / she / it has short-delivered any securities against his / her / its pay-in obligation towards a counter party who is a Client of Tradebulls and delivery of the securities was also not effected through auction in the market (self-auction) for any reason including that self-auction is not permitted on the Exchange, then the contract shall be closed out and the close out price will be higher of:

(a) The highest price for the securities prevailing in NSE or as the case may be BSE on any date commencing from the date of transaction till the day of auction relevant to the trade (auction day) or

(b) The closing price for the securities on the auction day as increased by 3% of the closing price for F&O traded scrip or 5% for other scrip or such other % as may be revised by Tradebulls from time to time. The amount so determined shall be debited to the account of the client who defaulted to deliver.

## **7. Refusal of Client requests for trades/transactions:**

7.1. Tradebulls is entitled in its sole discretion to: Restrict or refuse execution of any orders for transaction in any scrip if transaction in such scrip is not in accordance with its internal due diligence policy and/or the directives and guidelines of the Exchanges and/or the Regulator issued from time to time and the client shall not call in question any decision of Tradebulls to restrict or refuse transactions in such scrip on the ground that transactions in such scrip are not in violation of Tradebulls due diligence policy or the directives or guidelines of the Exchange and/or the Regulator or on the ground that the Client has not been put on notice about the scrip on which trade restrictions have been imposed by Tradebulls. Impose trade restrictions on any scrip having regard in particular to any one or more of the following factors viz. (i) Market volatility, or (ii) Price sensitive announcements relating to any scrip, or (iii) Restrictions on trade volume imposed by the Exchange concerned or (iv) Political instability in the country or (v) External aggression or internal rebellion or (vi) Default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the securities market.

7.2. Refuse to accept or act upon any request/order which in Tradebulls sole opinion, amounts to manipulating trades or price manipulation or artificial trade(s) and/or fraudulent trade(s) or otherwise in breach of applicable laws and/or Tradebulls internal policies, without obligation to give the client its reasons for doing so;

7.3. Close out any transaction which may have been executed but which Tradebulls was entitled to refuse to execute being contrary to its internal due diligence policies or by reason of any other factors including but not limited to trades being manipulative in nature;

7.4. Disallow any trades or transactions in respect of certain securities or segments which may be below / above certain value / quantity as may be decided by Tradebulls from time to time;

7.5. Tradebulls may at its sole discretion decline to carry out the instructions for any reason whatsoever

## **8. Suspension and deregistering of Client's Account:**

8.1. If the client apprehends that security of his account has been breached, the client shall by writing to Tradebulls, request

suspension of transactions in the client's account and Tradebulls may on receipt of such request suspend transactions in the account. The client shall ensure pay in of funds and securities in respect of all transactions pending to be settled on or before the respective settlement date(s) and shall compulsorily square off all open derivative positions, failing which Tradebulls without further reference to the client shall square off all open derivative positions prior to suspending the account. The account of the client shall, if suspended, remain so suspended until such time as the client's request in writing for reactivation of the account is not received by Tradebulls. Provided always that Tradebulls may, without prejudice to its other rights to effect recovery of its dues, sell all or any collateral & other securities of the client lying with it in the client's account towards full or part recovery of the dues owing by the client without prior notice or consent of the client.

8.2. Tradebulls may at any time, as it considers necessary in its sole discretion & without prior notice to the client, prohibit, restrict or suspend the client's access to or use of services provided to the client under this document, whether in part or entirely.

**8.3. Tradebulls reserves the right to suspend and deregister the client without prior notice in the event of:**

- a. Any breach of the terms of this document.
- b. In the event of infraction of any rules, Bye-Laws, regulations of SEBI or the stock exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or on the directions of SEBI and / or the Exchanges.
- c. Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the client.
- d. The client being designated as a defaulter by any credit rating agency or any action or proceedings have been initiated by the relevant regulator / Authority including without limitation SEBI.
- e. Bank account, demat account, securities account of the client being frozen or attached by any court of law or any other competent authority for whatever reason.
- f. The client having misrepresented facts at the time of registration or at the time of giving instructions or otherwise.
- g. Any proceedings or investigations that involve the client or his / its properties having been initiated (or is / are ongoing).
- h. The client fails to fulfil his / its payment obligations under this document or otherwise due to Tradebulls or
- i. If the client migrates to a jurisdiction which prohibits trading in Indian Securities or otherwise subjects Tradebulls or any of its employees to any licensing or registration requirements.

9. **Policy regarding treatment of inactive accounts:** In case of trading account the term dormant / Inactive account refers to such account wherein no transactions have been carried

out since last one year of calendar months.

The Dormant accounts identified based on the above criteria shall be flagged as such in Tradebulls record. Tradebulls reserves the right to freeze / deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The clients account would be reactivated only after undertaking proper due diligence process and fulfilment of such conditions as may be deemed fit, in the cases where the account has been frozen / deactivated.

The client's request through letter / registered email ID / recorded telephone lines may be impressed upon to reactivate the account or carry out any fresh transactions in a dormant / inactive accounts.

The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of Tradebulls from time to time. This Policy for dormant accounts is over and above the transaction monitoring in Dormant account as per Anti-Money laundering Policy of the Company.

In case of clients who have credit balance and who are flagged as dormant, the funds / securities of such clients are duly flushed out during monthly / quarterly payout of funds and securities.

**10. Policy for Handling GTC & GTT Orders:**

**Objective:** This policy aims to define the process for managing Good Till Cancelled (GTC), Good Till Triggered (GTT), or orders of similar types offered by our firm to clients. These orders allow clients to specify the price and time frame for which their orders remain valid. The policy outlines the handling of such orders, where client wish to keep the order open till the specified time.

**10.1. Scope:** This policy applies to all clients who place GTC/GTT orders or similar order types through our platform only for commodities segment.

**10.2. Details of GTC/GTT Orders:**

- a. **Good Till Cancelled (GTC):** Allows clients to place orders that remain valid until they are executed or cancelled by the client.
- b. **Good Till Triggered (GTT):** Orders remain valid until the specified price trigger is hit, upon which the order is executed.
- c. **Good Till date (GTD):** Orders will remain valid as specified by the client, but may be subject to cancellation or modification as per client requirement.

**10.3. Handling GTC/GTT Orders During Corporate Actions:**

- a. GTT/GTC/GTD is an order type for MCX segment only.
- b. GTT/GTC/GTD order can be a day, or for one year till it triggers or till trade or the contract date expires or till cancelled.
- c. GTT/GTC/GTD require margin at the time of placing the

order, subsequently system blocks client margin till the order is open.

- d. GTT/GTC/GTD order can place at any time excluding holidays.
- e. GTT/GTC/GTD order can be modified at any time before it triggers or the contract date expires.

f. GTT/GTC/GTD order can be cancelled at any time before it triggers or the contract date expires.

g. GTT/GTC/GTD orders can be placed through web/ Mobile.

**10.4. Review and Updates:** This policy will be reviewed periodically and updated as necessary to comply with any new regulatory guidelines or changes in market conditions.

The prevailing policies and Procedures of Tradebulls in respect of the above said matters shall remain published on its website as may be notified to the client from time to time and the client agrees that it is client's responsibility to access, understand and abide by such policies at all times during the subsistence of the relationship with the client.

I agree and understand that Tradebulls may from time to time at its sole discretion amend or modify the policies and procedures under intimation to me / us.