

**POLICIES AND PROCEDURES**

(Reference para 8 of SEBI Circular No. MIRSD/SE/CIR-19/2009 dated December 03, 2009)

**1. Refusal of orders for penny Stocks / Commodity Derivatives**

- Client agrees that the Allvest may refuse/restrict/not permit a Client in placing the order in certain securities/derivatives/commodities/other products depending on various conditions like volume/ value/ part of illiquid scrips, Z group securities, dealings in penny stocks, ASM/GSM securities, illiquid commodities, or any securities which do not meet the internal risk and surveillance criteria or which as per Allvest are volatile or subject to market manipulation or have concentration risk at client level or at the company level, although a client may have credit balance or sufficient margin in the trading account.
- Allvest may at any time at its sole discretion block/restrict the client's trading account in its APP/Website /API/ Trading Terminal or any channel owned or managed by it that may prevent the client from placing orders in terms of quantity/value in each/all penny stocks together as notified from time to time. The restriction may be on account of the view that such execution would adversely affect market integrity or give rise to regulatory/ disciplinary actions/concerns. However, Allvest under exceptional circumstances may execute cliential order. Allvest has the discretion to reject execution of such orders based on its risk perception.

**2. Setting Up client's Exposure Limit**

- Client agrees that Allvest may set the Exposure limits (including turnover limits, limits as to number, value and/kind of securities/ contracts in respect of which buy or sell orders can be placed etc) on the basis of available base capital which may comprise of Ledger and applicable collateral pledged in favour of Allvest after suitable margin haircut by the Client. The limits may be allowed on a multiplier basis to the available collateral or actual VAR margin basis or a specified margin depending on the market conditions.
- Client agrees that said limit parameters is a dynamic process that Allvest is allowed at the discretion to modify, change or alter such limit or the conditions attached thereto from time to time based on the market conditions and their risk containment measures about the market. However, on exceptional situations broker may use its own discretion in providing the limits and may change for a client or for all depending on market condition.

**3. Applicable Brokerage Rate for Equity & Derivatives**

- The Brokerage will be charged within the limits as prescribed by SEBI/Exchange. The Client shall also be charged SEBI Turnover Fees, Exchange Transaction Charges, Stamp Duty, STT, GST, duties and other charges/statutory levies as per rules prescribed by the Government/Regulatory Agencies, if any as may be levied from time to time as applicable. Brokerage will be charged to the client based on the brokerage rates specified in the account opening form or as per the product/scheme opted by the client from time to time.
- Allvest may increase/reduce the brokerage rate as it deems fit, subject to the brokerage limits as prescribed by SEBI/Exchange. Updated brokerage rate will be communicated in writing which interalia includes post/courier/ email through various modes of communication. All the above charges and levies debited to clients would be mentioned in the Contract Note send to client.

**4. Imposition of Penalties/delayed payment charges**

- The client is required to pay all amounts due to Allvest on and before its due date. The Client shall pay all type of Margins and Pay-in-obligation/settlement dues, brokerage, statutory levies and taxes etc. as are applicable from time to time. These obligations if not paid in time by Clients, will have to be borne by Allvest to the Exchanges/ Clearing Corporations/Clearing Members for which Allvest may charge interest to the Client, as applicable. In case the client does not pay the amount due on time, Allvest shall charge Interest on outstanding debits & margins up to the rate of 18% per annum on the daily outstanding value or at such rates as may be determined from time to time by Allvest.
- Further, where Allvest is levied any fine/penalty from any regulatory authority in connection with/a consequence of/in relation to any of the dealings of the client, the same shall be recovered from the client. Allvest is not liable to pay any interest on the credit balance, if any, lying in the client's ledger, margin account, deposit including Fixed Deposit, etc. with Allvest.
- Further note that if the client has made any deposits partially in Exchange Approved Securities and partially in Cash and has a margin requirement, then maximum benefit of Exchange Approved Securities (with higher hair cut) would be considered only upto 50% of margin requirement after adjusting available cash component. Any shortfall will lead to charging of interest on such shortfall value. This interest is charged as Allvest has to deploy its our own collaterals to meet the shortfall with Exchanges.

- Examples where tentatively penalty may be recovered from the client includes penalty levied for Short delivery of securities, violation of client level position limits, shortfall in margin payment (excluding upfront margin), client code modification, charges for dishonor of cheque(s) given by the Client, non-maintenance of adequate margins/ collaterals in the form of funds/cash etc.
- 5. The right to sell client's securities/commodities or close client's positions, without giving notice to the client, on account of non-payment of client's dues:**
- Client shall provide timely funds/securities/commodities for the purchase/sale of securities/ commodities to Allvest for meeting its obligation to the Exchange. If a client fails to settle its obligation due to Allvest in respect of the transactions executed by them within the timelines as prescribed by Exchange from time to time, than Allvest shall be at liberty to square up the positions or liquidate the securities collaterals after taking into account any amount lying to the credit of the Client. Any and all losses and financial charges on account of such liquidation/closing out the positions shall be charged to and borne by the Client.
  - Without prejudice to Allvest other rights, Allvest shall be entitled to liquidate/close out all or any of the Client's positions, without giving notice to the Client, for non-payment of margins or other amounts, outstanding debts, etc. It is Client responsibility to track his margins/obligations by going through margin statements sent to the client on daily basis. Allvest has the right but not obligation, to cancel all pending orders and to sell/close/ liquidate all open position, when mark to market percentage reaches or crosses stipulated margin percentage, whichever is earlier. In the event of such square off, the client agrees to bear all the losses based on actual executed prices.
  - The client shall also be solely liable for all and any penalties and charges levied by the Exchange(s). Allvest may in its sole discretion, determine the time of sell and securities to be disposed off and or which open position is/are to be liquidated / closed as per the policy applicable from time to time. In accordance with SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 such unpaid securities shall be liquidated anytime within 5 trading days from the date of payout if debit balance/outstanding dues are not cleared by the client by providing funds to the extent of debit balances.
- 6. Shortages in Obligation arising out of Internal Netting of Trades for Equities**
- Client is aware that as per the current guidelines the process of handling security-wise internal shortages is done as per CC guidelines wherein direct pay-out of securities is done by Clearing Corporation (CC) to clients demat account. On the settlement date, CC will identify broker level, security wise internal shortage by comparing broker level security-wise gross sell obligations vis-a-vis security-wise pay-in received.
  - The gross sell obligation shall be computed as sum of net sell obligation of all clients for a security. Wherever, pay-in quantity received is less than gross sell obligation quantity for a security across all clients, there is a case of internal shortage for that security.
  - The internal shortage is handled in the below given manner:
    - In case of short delivery to exchange, the settlement happens as per the auction/close-out mechanism of Exchange and auction/close-out debit received shall be passed to the defaulting client who did not fulfil his selling/delivery obligation.
    - In case of Short delivery of pay-out to internal clients who bought the scrip on that day due to internal shortage i.e. Internal Client the valuation price shall be higher of 20% above the closing price of Auction date in normal market of the exchange, or highest traded price between trade date and Auction date and a penalty will be charged to such defaulting Client @ 1% which may change from time to time.
  - The defaulting client on sell side will be debited by the amount equivalent to the quantity short delivered multiplied by the valuation price. The client on the buy side will be credited by the same amount debited to defaulting client on sell date as computed above. All losses to the client on account of the above shall be borne solely by the client and Allvest shall not be responsible for the same.
- 7. Conditions under which a client may not be allowed to take further position or Allvest may close the existing position of a client**
- Allvest is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any securities or allow the client to take further positions or close out the existing positions of client on account of occurrence of various factors as listed below but not limited to;
    - If there is a continuous debit Balance in client's account or having insufficient margin in client's account required to maintain his open position.

- If there is an order by SEBI or any other regulatory authority debaring the client from dealing in securities/commodities market or as a result of any regulatory directive or restriction on the client having committed any crime/fraud/is likely to evade/violate any laws, rules, regulations, directions of a lawful authority.
- Non-receipt of funds/ securities and/ or bouncing of cheque received from the client towards the obligation/margin/ ledger balances;
- Securities breaching the limits specified by the Exchanges/ regulators from time to time
- In case of dormant/inactive account of the Client
- If client fails to update correct/complete KYC details viz. email ID, mobile number, address, bank account etc. despite follow-ups.
- If transaction in such scrip/commodity is not in accordance with its internal surveillance/risk management policy and/or in accordance with the directives and guidelines of the Exchanges and/or the Regulator issued from time to time.
- In case overall position of client/clubbed position of client as per the SEBI guidelines, and/or on the basis of criteria set by Exchanges, in a scrip/derivatives contract has reached the Regulators prescribed Exchange limit/Market Wide Open Interest limit, then client may not be allowed to take further position, till such time Regulator prescribed limits comes down to create a new position.
- Due to technical reasons or any force majeure event beyond the control of Allvest
- Any other conditions as Allvest may specify from time to time in view of market conditions, regulatory requirements, internal policies etc and risk management system.

## 8. Temporary Suspension/Closure of Accounts

- The client may request the stock broker for temporary suspension/closure of his trading account by sending a written request to Allvest. The client would be required to clear all his dues/settlement of obligations before his account is temporarily suspended.
- Allvest can withhold the payouts of client and suspend/close his trading account due to any internal / regulatory action.

## 9. Deregistering a client

- In addition to what the client has agreed in the agreement, Allvest may terminate a client with immediate effect, but not limited to the following reasons-
  - If the client is debarred by SEBI or any other regulatory authority.
  - As a part of surveillance measure, if a client appears to be indulging in manipulative practices.
  - Under the circumstances when there is a reasonable ground to believe that the client is unable to clear its dues or has admitted its inability to pay its debt.
  - If the client violates any of the terms of the agreement.

## 10. Treatment of Inactive Clients

- Allvest identifies such client codes / trading accounts that are inoperative for a minimum period of preceding 24 months. A trading account will be considered inoperative if the below prescribed transactions are not carried out by the client since the preceding 24 months.
  - Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments (Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/ /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time) of the exchanges through Allvest, or
  - Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled) / SGBs/ Mutual Funds (lump sum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through Allvest, or
  - Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through Allvest and the same has been uploaded to KRA to ensure Validated/Registered status.
  - In case any of the above prescribed transactions is not carried out by the client in the preceding 24 months and the client has an existing open MTF position / Derivative position then, such a trading account will not be considered as inoperative.
  - Accordingly, such trading accounts are made inactive in the trading & internal systems and the client is informed about the status of his trading account maintained with Allvest via email/letter/SMS or by way of any other mode. Such trading Accounts shall also be marked "inactive / dormant" in UCC database of Exchanges where such client details are updated.

- For re-activation of such trading account, the client shall be required to make a request to re-activate the account and submit all necessary confirmation of existing client details (such as Address, Mobile number, Email ID, Bank/DP account, income etc.) or in case of modification, information / documents with regard to updation of their KYC details. On receipt of re-activation request, In-person verification (IPV)/Video In-person verification (VIPV) will be carried out as per prescribed guidelines. Such latest updated client details shall also be updated in UCC database of respective Exchange and KRAs.
- While reactivating the client, Allvest shall also verify the client status as per KRA. In case the client's status as per KRA is not validated / not registered (i.e. "On hold"/"Rejected"/"Registered" through other intermediary, etc) then Allvest shall not re-activate the client's trading account. In this case, the client is required to provide the latest KYC details like Address, Mobile number, Email ID, Bank/DP account, income, etc. along with the necessary supporting documents as required by KRA. Post submission of required details along with documents by the client, Allvest shall validate these details with the documents provided and shall update its records accordingly. Before re-activating the client's trading account, Allvest shall update/upload the required details/documents on KRA to ensure that the client's status is validated/registered with KRA. MOFSL shall also update such client details in the UCC records of the respective exchanges.
- In case of an individual client, a re-activation request can be made either through online mode (by following the reactivation instructions after web login) or through offline mode (by submitting Activation request form to Allvest). In case of non-individual clients, re-activation request needs to be made through offline mode i.e. by submitting Activation request form at Allvest.
- For all re-activation requests, Allvest upon verifying / carrying out due diligence & completing above process at its end may activate the client's trading code in the trading & internal system. Allvest shall simultaneously also update client's trading account status to "Active" in the UCC database of respective exchanges.
- Once an inactive trading account is re-activated, the computation of next 24 months for the purpose of identifying client as inactive in the subsequent period shall be considered from the date of last re-activation of trading account.
- There may be scenarios wherein there are long outstanding debit balances in inactive/dormant accounts. To recover such outstanding debit balances, pledged securities may be liquidated from client's trading account through RMS selling post intimating the client. For executing RMS selling in client's trading account, the client's trading account will be reactivated in our back-office and Exchange UCC without following the above prescribed criteria for reactivation. Post RMS selling, the trading account status will again be updated as inactive/dormant in our back-office records and Exchange UCC.
- Upon reactivation, the client is informed about the status of his trading account via email/letter/SMS or by way of any other mode. Upon re-activation and after updating the UCC status in Exchanges, Allvest may execute the order as per instructions of clients. The client shall also be subject to ongoing due-diligence in accordance with the provisions of the PMLA guidelines and the relevant KYC policies that have been issued from time to time.

## 11. Cash Deposit

- Allvest does not deal in cash with clients/authorised persons. In case client directly deposit cash in Allvest designated client bank account, then Allvest will not give credit of the same to client's trading account. As soon as client provides appropriate proof of cash deposit, Allvest shall refund such amount to the Client.
- Clients are hereby advised that they should not deposit any cash directly in bank accounts of Allvest and/or should not deal in cash with any official/authorised person of Allvest.

Allvest shall be entitled to change or alter these policies and procedures or any part thereof, without giving any reason thereof to the Client. Notwithstanding any such change or alteration all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such change or alteration shall continue to subsist and vest in / be binding on the Clients and their respective heirs, executors, administrators, legal representative or successors, as the case may be. Notice of such alteration may be provided by Allvest through post / courier / email / reflected in the client's login. The Client is bound by such changes or alterations in the Policies & Procedures of Allvest.