

POLICIES AND PROCEDURES

This is a mandatory document dealing with policies and procedures for each of the following headings, as followed by **Kalash Shares & Securities Pvt. Ltd. (KSSPL)** for its clients:

A) REFUSAL OF ORDERS FOR PENNY STOCKS:

Penny stocks are scrips which have low value/low capitalization /less liquidity /illiquid scrips as specified by the Exchange or any other stock as KSSPL may feel proper. KSSPL reserves the right to refuse orders for penny stocks unless and until the client is able to provide sufficient reason for investment /divestment in such stock, as well as bring in the total funds/securities in advance towards intended funds/securities obligation as the case may be.

B) SETTING UP CLIENT'S EXPOSURE LIMITS:

KSSPL computes and assigns exposure limits based on its own assessment of market/security risks in combination with its assessment of client specific risk. The limits and exposures shall therefore vary from client to client and portfolio to portfolio. In the F&O segment, the minimum margin applicable shall be the statutory margin as required to be collected upfront by the concerned exchange. The risk management team shall be available during market hours to inform the clients of their set exposure limits upon request/telephonic enquiry.

C) APPLICABLE BROKERAGE RATE:

The brokerage to be levied on trades executed through KSSPL shall not exceed the rates as prescribed by exchange/SEBI. KSSPL shall take written consent of the client, should the applied brokerage be revised upwards within the limits, prescribed by exchange/SEBI from the amounts stated below. Brokerage applied at rates equal to or below the stated rates shall not need client consent.

D) PENALTY / DELAYED PAYMENT CHARGES:

Clients may be charged delayed payment charges on debit balances overdue @18% p.a. from the date such amounts become due till the time of realization of such amounts on reducing balance basis.

Only clients who are levied delayed payment charges shall receive delayed payment charges on credit balances overdue @18% p.a. on reducing balance basis under the following conditions:

- a) For clients who are not maintaining funds on a running / current a/c basis with KSSPL, from the date such amounts become due till the time of payment of such amounts provided client has no outstanding funds / securities / trade obligation / position on such due date.
- b) For client who are maintaining funds on a running / current a/c basis with KSSPL, from the date +2 working days such amounts were demanded till the time of payment of such amounts, provided client has no outstanding funds / securities / trade obligation / position on the date of such demand.

The client shall also indemnify KSSPL against all charges / penalties / costs that KSSPL may incur due to non fulfillment of client's obligations with respect to trades / positions / limits / deliveries / funds pay ins / margins / etc and KSSPL shall debit the client account with such charges / penalties / costs.

