

1. COLLECTION OF MARGINS

Margins, by whatever name called & defined by the Exchanges viz. Initial margin, Mark-to-Mark Margin, Exposure margin, Pre-expiry margin, Tender period or delivery period margin, Additional margin and Special cash margin or any other margin specified by Exchanges/Regulator from time to time. Geojit reserves the discretion to call for a higher percentage of margins from the client, than stipulated by the Exchanges/Regulator, depending on its risk assessment or Surveillance parameters or volatility in the markets.

All margins are collected in the form of Funds and collaterals. Funds are collected by way of Account payee cheque (clearance required within 5days)/NEFT / RTGS / IMPS etc. Collaterals can be in the form of pledged securities under MPR framework, Fixed Deposit Receipt, BGs, Warehouse Receipts, and any other form decided by Geojit subject to guidelines from Regulator/Exchanges from time to time. The threshold/apex limit for each form of collaterals, the ratio of funds and collaterals and their haircuts are solely at discretion of Geojit subject to the guidelines laid down by Exchanges/Clearing House /Regulator.

Acceptance & Approval of Margins on fixed Deposit Receipt, BGs, Ware-House Receipts will be decided by Geojit on case-to-case basis.

2. REPORTING OF CLIENT'S MARGINS TO EXCHANGES & PENALTY FOR MARGIN VIOLATIONS

Margin reporting to Exchanges will be carried out as per the norms and guidelines of the Exchanges/Regulators. In case of open positions at multiple Exchanges/Segments, Geojit can apportion the available funds and collaterals on its desecration and practice.

Applicable penalties on instances of shortages will be debited to clients' ledger with applicable tax rates subject to regulatory guidelines from time to time.

3. EXPOSURE SETTING

Geojit has absolute discretion in setting the exposure limit of a client. Exposure varies from time to time and it is depending upon the net cash & collateral available in a client's trading account. At any point in time, margin prescribed for any product/segment shall not be lower than the minimum margin stipulated by the Regulator/ Exchanges from time to time

Geojit reserves the right to withdraw the exposure limit of a client at any point of time, without any further notice, if there are any dues/margin shortages in the client's account or based on Market conditions/Risk and Settlement policy of Geojit.

During the day Fund Transfers and collateral pledge under MPR frame work will be updated on Realtime basis. In case of Cheques, exposure will be updated subject to clearance/ internal approval.

Squaring off trades in F&O, selling of unsettled positions in "cash product" and the shares lying in client's beneficiary account of Geojit DP/B2B with delivery POA/e-DIS/DDPI/Blocked Mechanism can be effected without any additional exposure.

100% credit balance is required in the trading account for trading in Trade-to-Trade scrips and other select stocks.

Geojit has the absolute discretion to set Margin requirement limits for every trade. Margin requirements are set based on our Risk and Settlement policy and Market conditions.

For trades in Equity segment, Margin is based on the security selected. This is made available in the Trading platform.

For trades in Derivative segment, Upfront Margin is based on SPAN + Exposure margin, Additional margin, Delivery Margin and any other margin as stipulated by the Exchanges.

Geojit reserves the right to block trades in any securities/ contracts, based on risk assessment or Surveillance parameters of Geojit/Exchanges/Regulator or on PMLA guidelines, though such client position may be within Exchange position limits.

Single Order Value Limit for Cash market segment is Rs.50 Lakh and for Derivative segment is Rs.3 Crores or decided by management from time to time subject to Quantity limit/value limit specified by the Exchange. Any change for this value will be made as per Credit Policy of Geojit subject to restrictions of Exchanges/Regulator.

No fresh trades will be allowed in banned scrips/contracts.

Any changes in the Risk and Settlement Policy shall be subject to the approval of Risk & Settlement Committee

4. LIQUIDATION OR SQUARING /CLOSING OUT OF CLIENT'S OPEN POSITIONS

If shares purchased by clients are pending in Geojit's pool/CUSPA account due to non-payment of required funds, such shares will be sold to the extent of amount due, at any point of time after settlement pay-in time stipulated by exchange.

Clearance from CUSPA will be done as per SEBI guidelines including for PIS clients. Pending cheques in client's ledger will not be considered while such clearance.

If total debit/MTM % in the client's account is greater than or equal to the stipulated % of the total Collateral, then the existing positions will be squared.

In the Derivative segment, if there is no sufficient margin, the open positions will be squared.

If there is any position taken during the banned period, such position will be square off any point of time without further notice.

Geojit shall attempt liquidating necessary positions security/Commodity hitting the daily price filter (circuit) to avoid any dues in client's account.

The losses, if any, arising on the square-off trades shall be borne by the client. Open positions that are not squared-off for reasons beyond the control of Geojit viz. technical issues, price band etc. shall be squared-off in the immediate session thereafter or whenever the security/commodity/contracts is traded.

Geojit reserves the right to square off any position taken without sufficient margin at any point of time without any further notice.

Geojit reserves the right to square off existing positions if cheques received against these are dishonored.

Geojit reserves the right to invoke/sell pledged shares/any other collateral to cover MTM losses.

In addition to above points, there will be auto square off of positions (Cash & Derivative) taken in INTRADAY option. The timings of auto square off will be displayed on the internet trading website.

Geojit reserves the right to close the positions and the shares available as Collateral/holdings to recover the outstanding dues.

In case of Physically Settled Derivative contracts, current month FAO contracts need to roll over/close before two days prior to final settlement day. Geojit reserves the right to square off such contracts, If there is no sufficient margin/securities in the client account for long/short positions. In case of Commodity derivatives, requirements for valid delivery should be met on or before commencement of delivery period or else positions will be squared off.

5. SECURITIES PAY-OUT MECHANISM:

- A. The securities received in pay-out against which payment has been made by clients, shall be transferred to the demat account of the respective clients within one working day of the pay-out. Such securities shall be transferred directly from the pool account of Geojit to the demat account of the respective client.
- B. The securities that have not been paid for in full by the clients (unpaid securities), shall be transferred to client demat account and will be auto pledged to Geojit ' Client Unpaid Securities Pledgee Account ' .
- C. The securities auto pledged in the "client unpaid securities pledgee account" shall either be un pledged to the respective client upon fulfilment of client's funds obligation or shall be disposed off in the market by Geojit within five trading days after the pay-out. The unpaid securities shall be sold in the Unique Client (UCC) of the respective client and will be invoked/un pledged in DP . Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/ adjusted from the respective client.
- D. In case of securities (where inter-depository transfer is not available) held in a particular depository (i.e. SGB, Gsecs) and the client does not have an account in the said Depository, the client will have to open an account.

6. PHYSICAL SETTLEMENT OF FAO CONTRACTS

All open Stock futures positions after close of trading on expiry day and All in-the-money stock options contracts which are exercised and assigned on expiry day are settled physically. Obligations in physical settlement of F&O segment for a particular expiry shall be netted with Obligations in Capital Market segment of corresponding trade date. Changes will be applicable as per the guidelines of regulators, exchanges and clearing corporations from time to time.

7. POLICY ON PENNY STOCKS

Definition: Any stock which is trading on a stock exchange at a price less than the face value is defined as a penny stock. Further, such stocks can be fundamentally weak in terms of net worth, sales, market capitalization and/or profitability and may have violated provisions of the Listing Agreement of the exchange in which they are listed or have large number of investors' complaints pending against them.

Geojit will have the right to refuse execution of trades in the above stocks. List of penny stocks is available in the customer care site. Further, as per SEBI circular CIR/MRD/DP/6/2013 dated February 14, 2013, clients are requested to note the penalty criteria for certain trades in periodic call auction.

Penalty for trades in periodic call auction: - In the event where maximum of buy price entered by a client (on PAN basis) is equal to or higher than the minimum sell price entered by that client and if the same results into trades, a penalty shall be imposed on such trades. The penalty shall be calculated and charged by the exchange and collected from trading members on a daily basis. Trading members will recover such penalty from clients.

8. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADE

If a client fails to make timely delivery to Geojit in respect of the shares or securities sold by him as notified by the Exchange from time to time i.e., in case of short delivery, 150% of the short sell amount will be deducted from the ledger while calculating Initial buying power till the settlement and the said un-discharged obligation on the part of the client shall be subjected to close out or auction in accordance with the rules and regulations of the Exchange.

The loss, if any, on account of such close out or auction shall be debited to the account of the client. Under such cases, no further claims shall lie between the client and Geojit.

In case of an internal shortage situation within Geojit, i.e. the buyer and seller are both Geojit clients and the seller defaults in delivery due to which the buyer may not receive the shares, firstly the defaulting seller would be debited 150% of the short sell amount for the default till such time the Settlement/auction process is completed. The defaulting seller would be debited statutory costs and other incidental charges including penalty for non-delivery.

In case of shares purchased by client where no delivery was timely effected as required under the Rules and Regulations by the Exchange the short delivery will be closed-out by Geojit in accordance with the Exchange procedures and the credit on account of such close-out or auction shall be made to the account of the client. Under such cases, no further claims shall lie between the client and Geojit.

In case where there are internal shortages, Voluntary Auction (system prevailing in Clearing Corporation) will be arranged in all possible cases. Other short position if any for which Voluntary Auction was not done would then be closed out on the closing price of the exchange auction day + 10% (If rate is increasing daily till auction day, it will be 20%) or settlement high whichever is higher.

In case of securities being de-listed/suspended from trading / unable to buy on account of corporate action, Geojit will close out internal shortages with closing price of the Exchange on auction day + 10% or settlement high whichever is higher (Credit to buyer & debit to seller).

9. POLICY OF INTERNAL SHORTAGE

In case of internal shortage, Voluntary Auction will be arranged in all possible cases, otherwise it will be closed out as per the Exchange norms for which Voluntary Auction was not done Squaring/Close out price will be the closing price of the scrip on auction day plus 10% (but if rate is increasing daily till auction day, it will be 20%) or Settlement high whichever is higher. Geojit reserves the exclusive right to decide such instances of internal shortage handling subject to guidelines published by Exchanges /Regulator on time to time.

10. POLICY FOR EXPOSURE TO BE GRANTED TO CLIENTS BASED ON FINANCIALS

We are required to grant exposure to clients on the basis of the financials (annual income & net worth) declared by the clients. This is in line with NSE circular NSE/INSP/36248 dated Nov 06, 2017, and BSE Notice No. 20171109-28 dated Nov 09, 2017, and also based on the advice received from the Exchanges. To comply with the above guidelines, we have framed a revised policy for granting exposure to clients considering their declared financials. The salient features of this policy are as under.

- The exposure is set based on buying power. The buying power for open exposure at any time shall be limited to 4 times of the declared net worth or 15 times of the declared annual income.
- The value of open exposure in case of delivery trades and margin requirements for leveraged products will be diminished from the pre- set limit on disclosed financials.
- Higher of the 4 times Net worth or 15 times Annual Income will be considered when client has declared both
- In case of private companies, Loan from Directors will be added to Net worth
- If the client has declared Net worth & has DP holdings with Geojit, the higher of the two will considered.
- If a client brings net-pay in, in the form of funds in excess of permitted limit of 4 times of net worth and 15 times of annual income, 30 days' notice will be served to regularize the net worth/ annual income. No exposure against holding will be allowed beyond the permitted limit. In case of no change in annual income / net worth is submitted by client within 30 days, the account will be reported to compliance as suspicious.
- If a client avail the exposure against shares Pledged under MPR frame work, No fresh position will be permitted beyond the permitted limit.
- Necessary proof of financials declared should be provided in the case of Equity derivatives and Commodities.

11. BROKERAGE RATE

Brokerage Rate : Brokerage will be charged to the client based on the brokerage rates specified in the account opening form (Refer tariff sheet for brokerage and other charges) or as per the product/scheme opted by the client from time to time. The brokerage rate will be within the permissible limit set by SEBI/exchanges.

12. RISK CURTAILMENT MEASURES AND RESTRICTIONS ON TRADING BY CLIENT:-

1. Geojit reserves the right to block trading in several contracts from its end, based on its own risk assessment and also based upon certain Surveillance parameters. In general, the far month contracts and illiquid contracts may be restricted, except for specific request from the clients to allow trading in such contracts. In such cases of relaxation, Geojit may satisfy itself on the intent, purpose, besides insisting on higher margins from the client, as may be felt necessary.
2. Geojit reserves the right to restrict the trading limits of client under any of the following circumstances:
 - (i) the Client account is in debit
 - (ii) Client's cheque has been returned by the Bank or such cheque returns have been observed at multiple instances in the client's account or client has deposited a third party cheque (including cheque from an unregistered Bank account)
 - (iii) Client's positions are concentrated in illiquid contracts or client's open positions in specific commodities appear large though such client position may be within Exchange position limits
 - (iv) MTM loss increases suddenly & substantially
 - (v) Geojit has suspicion on certain transactions or receipts in context of the PMLA guidelines
3. Geojit shall appropriately assign reasons, orally or otherwise, to the concerned client, in event of Geojit deciding to restrict the trading limits if it is for reasons other than the above.

13. IMPOSITION OF PENALTY/DELAYED PAYMENTS

Any amounts which are due from the Client to Geojit towards trading and or investments in any of the segments / exchanges or otherwise or on account of services availed or to any of Geojit's group or associate companies will be charged delayed payment charges at such rate per month as may be determined by Geojit from time to time.

The Client hereby agrees and authorises Geojit to directly debit the same to the account of the Client.

The Client agrees that if payment is delayed by the Client, the value of which may be greater than the dues by the client to Geojit may suspend fully or partially access to all or any of the Products and/or Services or take legal action or any such action as it may deem fit.

The rate of such charges is presently fixed as 18% p.a. and any change to the same shall be intimated to the client in the manner provided herein.

If there is any position taken during the banned period, penalty if any, will be debited to client account.

14. SUSPENDING/CLOSING/DEREGISTERING OF ACCOUNT

In all cases of non-payment, fraud, malpractice, death or insolvency of the client, violation of rules and regulations by the client, or if the continued association with the client is prejudicial to the interest of Geojit and the market in general, at the absolute discretion of Geojit, the account shall be suspended or cancelled or the client shall be deregistered with or without notice of 30 days or of a lesser tenure as the case may be. Accounts may be temporarily suspended or closed at the request provided the client gives a written request for the same.

15. TREATMENT OF INACTIVE ACCOUNT

All active trading accounts where there is no single transaction in any of our products for the last Twenty four months, will be changed to INACTIVE mode. An "Inactive" client is defined as follows - one that satisfies all of the below mentioned conditions:

- a. Has not traded in any exchanges like BSE, NSE, ICEX, NCDEX & MCX.
- b. Has not traded or participated in OFS/buy-back/Open Offer across any exchanges/segments through the same Member.
- c. Has not applied for or subscribed to IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member.
- d. Modification/updation of e-mail ID/Mobile Number/Address in KYC record through the same Member that has been uploaded to KRA to ensure Validated/Registered status.
- e. Has no running SIP via online/offline or lumpsum investment in any MF scheme via online/offline.
- f. Has not purchased or renewed insurance schemes through Geojit (wherein PAN of client is available).
- g. Has not applied for E-IPO
- h. Has not done any purchase of NCD.
- i. Has not performed any DP-related transactions in NSDL & CDSL (like AMC payment, demat, remat, MF redemption, DIS issuance, off-market, market transactions, Inter-DP transfers, pledges, transmission, closure cum transfer, minor turned major updation, E-Insurance account opening, registered client complaints, etc.).
- j. Has not given any pay-in or taken any pay-out as part of settlement.
- k. Has not updated KYC viz; Annual KYC, KRA-KYC & CKYC through Geojit.
- l. Has not made any changes to their profile – e.g., change in address, email, nomination, third-party PoA, etc.

For reactivation of accounts clients have to submit necessary KYC / KYC updation documents as specified by the regulators from time to time.

16. TRADING SUPPORT IN EVENT OF ANY DISRUPTION:-

1. Geojit extends support for Trading by the client, during market hours i.e. to all its clients, including the IBT / Wireless trading clients, through its network of Branches and Head-office.
2. In case of any disruption in services at the client's servicing Geojit branch, for reasons beyond their control, the client shall be mapped to the nearest Geojit branch for continuity in trading. The client can also opt to transact through Geojit's Head-office (Call & Trade). An IBT / Wireless trading client also can utilize the same facilities.

Any changes or modifications to the above policies & procedures shall be intimated by email. The updated copy of the same will also be available on the website / customer portal of Geojit.