

POLICIES AND PROCEDURES OF KELLTON SECURITIES PVT LTD

This document contains the policies and procedures of Kellton Securities Pvt Limited (Kellton) for Cash & F&O and currency derivatives segment 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. Squaring off of market positions, collaterals and other securities,
5. Refusal of Client request for fresh positions
6. Suspension of Client's account and deregistering of the Client.
7. Market Internal Shortages
8. Delayed Payment charges

The policies set out herein may be modified from time to time without prior notice in accordance with the rules, regulations and bye-laws of SEBI or the exchanges or other authorities or at the option of Kellton by way of notice of not less than 15 (fifteen) days to the client.

1. Penny/illiquid securities:

Kellton 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 Kellton may deem fit. Kellton reserves the right to refuse execution of any transaction requests of the Client such illiquid securities or to reduce the open market interests of the Client in such securities. Kellton 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 Kellton from time to time.

2. Applicable Brokerage:

- 2.1. Kellton 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. The client shall pay such fees, charges, and commissions as may be notified by Kellton from time to time depending upon the services availed by the Client. Kellton may require the client to pay an upfront service fee for availing the services offered by Kellton and the client shall pay such fees as and when so required.
- 2.2. Subject to such maximum prescribed rates, Kellton may revise the rates from time to time after intimation to the Client of the revised rates and the date on and from which the revised rates shall take effect. Kellton may intimate the revised rates either in writing addressed to the Client or by publishing the rate on its back-office website or by both means. The Client shall intimate its objection(s) if any to the revised brokerage in writing addressed to the branch under which the Client is mapped in case the Client or to the controlling Branch if the Client is mapped under a sub-broker 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. The Client shall pay all costs, charges, expenses, damages, losses, interests (including penal interests) and other outgoings incurred or suffered by Kellton as a result of the Client's default, including without limitation, due to dishonour of cheques.
- 2.4. Kellton may debit to the Client's account any charges incurred by it in connection with settlement transactions in funds and securities and the Client hereby authorises Kellton to do the same.
- 2.5. All payments to Kellton shall be made clear and free of withholding and deduction, in Indian Rupees, in immediately available and freely transferable funds.
- 2.6. Brokerage shall be paid in the manner intimated by Kellton to the Client from time to time, including as a percentage of the value of the trade or as a flat fee or otherwise, together with the service tax as may be applicable from time to time on the same. The Client further agrees to pay any applicable taxes including the securities transaction tax, duties and levies as may be levied on the transaction from time to time.
- 2.7. The applicable stamp duty payable on any instruments relating to any transaction including without limitation any stamp duty payable on Contract Notes issued pursuant to transaction executed shall be payable by the Client. Without prejudice to the generality of the above clause, the Client also agrees to pay any and all additional stamp duty payable if Contract Notes issued for any transaction executed are received by the Client in any other state other than the state of Maharashtra.
- 2.8. Without prejudice to the absolute obligation of the client to pay/reimburse monies to Kellton as set-out above, Kellton shall also be entitled to set-off and appropriate any monies that may be placed with or available with Kellton for and/or on behalf of the Client towards any dues of the Client to Kellton, arising howsoever.

3. Setting up of Exposure limits:

- 3.1. Kellton 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. Kellton at its sole discretion may refuse to accept any security as collateral / margin. Kellton shall from time to time publish a list of securities which would be acceptable as collateral / margin. In setting exposure limits for the Client, Kellton 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 Kellton and such other factors or conditions which Kellton may consider relevant for the purpose. Kellton 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 Kellton, nor any affiliate of Kellton nor their respective directors, officers, employees, agents shall if 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 Kellton.

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4. Kellton's right to square off:

Without prejudice to Kellton's 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, Kellton 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 Kellton 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 position in stages in order that positions to the extent of available margin are retained in the Client's account. Kellton may sell off all or any securities of the Client lying with Kellton 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 Kellton. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the Client. Such liquidation / close-out may be without any prior reference or notice to the Client. Client shall keep and hold Kellton 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 Kellton.

5. Refusal of Client requests for trades/transactions:

5.1. Kellton 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 Kellton to restrict or refuse transactions in such scrip are not in violation of Kellton's due diligence policy or the directives or guidelines of the Exchanges and/or the Regulator or on the ground that the Client has not been put on notice about the scrip's on which trade restrictions have been imposed by Kellton.
- Impose trade restrictions on any scrip having regard in particular to any one or more of the following factors viz. i) market volatility, ii) price sensitive announcements relating scrip, iii) restrictions on trade volume imposed by the Exchange concerned, iv) political instability in the country, v) external aggression or internal rebellion, vi) default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the securities market.
- Refuse to accept or act upon any request/order which in Kellton's 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 Kellton's internal policies, without obligation to give the Client its reasons for doing so:
- Close out any transaction which may have been executed but which Kellton was entitled to refuse 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.
- 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 Kellton from time to time.
- Kellton may at its sole discretion decline to carry out the instructions or refuse to process/transmit the application form/order of the Client if it is uncertain of authenticity or is otherwise doubtful about the same for any reason.

5.2. Kellton shall not be liable, if any instructions are not carried out for any reason whatsoever

6. Suspension and deregistering of Client's Account:

6.1. If the Client apprehends that security of his account has been breached, the Client shall by writing made to the Branch under which the Client is mapped or to the Branch if the Client is a Sub-Broker Client, request suspension of transaction in the Client's account and Kellton 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 Kellton 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 reactive of the account is not received by Kellton. Provided always that Kellton may, without prejudice to its other rights to effect recovery of its dues, sell all or any collateral and 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.

6.2. Kellton may at any time, as it considers necessary in its sole discretion and without prior notice to the Client, prohibit, restrict or suspend the Client's access to or use of the Services provided to the Client under this Agreement, whether in part or entirely.

6.3. Kellton reserves the right to suspend or terminate this Agreement and deregister the client without prior notice in the event of:

- Any breach of the terms of this agreement
- In the event of infraction of any Rules, Bye-Laws, Regulations of SEBI or the Exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or the directions of SEBI and/or the Exchanges
- Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the Client
- 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.
- 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.
- The Client having misrepresented facts at the time of entering into this Agreement or at the time of giving instructions or otherwise
- Any proceedings or investigations that involve the Client or his/its properties having been initiated (or is/are ongoing)
- The client fails to fulfill his/its payment obligations under this Agreement or otherwise due to Kellton or
- If the Client migrates to a jurisdiction which prohibits trading in Indian Securities or otherwise subjects Kellton or any of its employees to any licensing or registration requirements

6.4. All rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to deregistration of the Client shall continue to subsist and vest in/be binding on the respective parties or his/her/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

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7. Market and Internal Shortages:

In case of purchase of securities by the Client at times Kellton may be unable to deliver the securities to the client on the payout day due to non-receipt of the securities from the Stock Exchange(s) or due to non-receipt of the securities from another Client of Kellton who has sold the securities against the purchase transaction. In case of short delivery from the Exchange(s), the securities shall be delivered to the Client from the deliveries received from the Exchange(s) and in case of short delivery due to non-receipt of securities from another Client of Kellton, the securities shall be delivered to the client as per the policy of Kellton. The client understands and acknowledges the same and undertakes that it shall not hold Kellton responsible for any loss or damages arising out of the same.

Auction or Closeout in case of Market Shortage:Where the client has sold securities and the delivery of the securities sold is not received on or before the settlement date or the securities are not in deliverable state or due to any reason whatsoever the client is not able to deliver securities and the position is deliverable in the market, the securities will be auctioned or closed out as per rules of the concerned exchange. Consequently, the client will be responsible for any resulting losses and all associated costs including penalty levied by the Exchange(s).

Closeout in case of Internal Shortages:The client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in obligation which resulted in Internal Shortage i.e. resulting in failure of delivery of securities to another client of Kellton who purchased the securities and the securities could not be auctioned in the market (self auction) then the close out price will be the higher of trade day's closing rate (T day) or 7% above the closing price on settlement (T+2 day) or such other % as may be revised by Kellton from time to time.

8. Delayed payment consequences:

- Notwithstanding anything contained in these presents and without prejudice to margin funding guidelines issues by SEBI, any amounts which are overdue from the Client in any trading segment shall be liable to delayed payment charges @ 1.5% per month or part thereof or such other rate as may be determined and communicated by Kellton. Kellton is authorized to debit the delayed payment charges to the account of the Client at the end of each month/interval as may be decided by Kellton.
- Without prejudice to Kellton other rights and to the extent permissible under the Applicable Laws, Kellton shall be entitled to liquidate/closeout all or any of the Clients positions for non-payment of margin or other amounts, outstanding debits etc and adjust the proceeds of such liquidation/close out if any against the Clients liabilities/obligations. Any or all losses and financial charges on account of such liquidation/closing out shall be charged to and borne by the Client.
- To the extent permissible under Applicable Laws, securities and monies lying with Kellton or in their possession or control, for any purpose, for the benefit of the Client including in any account in which the Client may have an interest, shall be subject to a lien in favour of Kellton for the discharge of all the indebtedness of the Client and the Clients other obligations to Kellton and/or any affiliates of Kellton.
- Kellton shall be entitled to suspend or terminate the member Client relationship without prior notice if the Client fails to fulfill his/its payment obligation hereunder under the Agreement or otherwise due to Kellton.
- Kellton shall not be obliged to return any margin to the Client until the Client has satisfactorily discharged all its payment obligation or other obligation under this Agreement.

9.The Prevailing policies and Procedures of Kellton in respect of the above said matters shall remain published on it's backoffice www.kelltononline.com or such other websites as may be notified to the client from time to time and client the client agrees that it is client responsibility to access, understand and abide by such policies at all time during the subsistence of this agreement. Kellton shall provide the client with secured access to it's website through unique client specific user ID and Password.

I have read and understood the policies and procedures described in this above schedule and agree to be bound by the same.

Signature 