

POLICIES AND PROCEDURES FOR CLIENT DEALINGS - ALL EXCHANGES
(MANDATORY as required by SEBI circular MIRS DI SE ICir-19/2009 dated December 3, 2009)

REFUSAL OF ORDER FOR PENNY STOCKS / ILLIQUID STOCKS

GRETEX does not encourage trading in penny stocks or securities falling in T2T or Z group of BSE and / or BE group NSE and reserves its right to refuse orders in such securities from the clients desiring to deal in such shares, stocks, securities.

Under exceptional circumstances and considering merits on case to case basis, trading in penny stocks/T2T/Z/BE category may be allowed to clients on delivery basis subject to stringent verifications of the client holdings, intentions and bonafide reasons given by the intending clients.

However if it is observed that client/s is/are indulging in trading activities only in penny stocks or securities falling in T2T or Z group of BSE and / or BE group of NSE or carrying on any insider trading activity, the client account maybe immediately suspended without any reasons being given to the client/s.

Further client's traded volumes vis-a-vis market volumes will be considered and 10% of market volumes will be allowed or such market volume as decided by the GRETEX from time to time, subject to due diligence of the RMS and Compliance department. Further trading limits will be allowed subject to the client making margin payments, history of the client, trading platform, intention of doing the trades. The said additional trading limits may not be allowed on a regular basis to the client/s. GRETEX shall classify those scrips which have average trading volume of less than 5000 shares in the last 7 preceding trading days as penny stocks.

SETTING UP OF CLIENTS EXPOSURE LIMITS

1. Exposure limits are linked to the cash and the existing collaterals lying with GRETEX SHARE BROKING LIMITED.
2. The sum total of the following items will be considered as available margin for the next trading day:
 - a. Ledger balance (BSE Cash & F&O segment, NSE Cash & F&O and Currency segment).
 - b. Value of free securities lying in the Depository Account (having POA for pay-in and pay-out) of GRETEX after hair cut of:
 - (i) Flat 20% of the value of securities or as prescribed by any of the Exchange, whichever is higher.
 - (ii) % of VaR Margin as may be prescribed by the Exchange
 - c. Margin requirement in F&O segment (SPAN, EXPOSURE and Special Margins) as may be levied by the Exchange from time to time. GRETEX may in its sole discretion levy additional margin in special circumstances to mitigate any eventualities.

The client can get exposure against his / her available margin for trading equal to X no. of times in Cash Segment and as far as F & O is concerned, as per fulfillment of applicable margin requirement, subject to revision or modifications depending upon the volatility in the market.

(X no. of times will depend upon the risk profile of the respective clients.)

BROKERAGE ON DEALINGS

Brokerage Philosophy

GRETEX or any of its sub brokers does not encourage sale or purchase of securities with the sole object of generating brokerage or commission. Also, neither GRETEX nor any of its branches, sub-brokers, authorized persons or remisers furnish false or misleading quotations or give any other false or misleading advice or information to the clients with a view of inducing him / her / it to do business in any particular securities simply to enable GRETEX to earn brokerage or commission thereby.

Brokerage

1. GRETEX is entitled to charge brokerage at rates not exceeding the official scale prescribed by the relevant authority from time to time upon the execution of all orders in respect of purchase or sale of securities.
2. The Client shall sign against the brokerage slab specifically written in the Client Registration Form and in case of any deviation in the rate as agreed it shall be communicated by either party in writing 15 days in advance.

Underwriting Commission and Brokerage

3. Unless otherwise determined and restricted by the relevant authority, GRETEX may, in its discretion, charge such brokerage or commission for underwriting or placing or acting as a broker or entering into any preliminary arrangement in respect of any floatation or new Issues or Offer for Sale of any security as it may agree upon with the issuer or offerer or with the principal underwriters or brokers engaged by such issuer or offerer, subject to limits stipulated under the relevant statutory provisions as may be applicable from time to time.

IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES , SPECIFYING THE RATE AND THE PERIOD (THIS MUST NOT RESULTING IN FUNDING BY THE BROKER IN CONTRAVENTION OF THE APPLICABLE LAWS)

Without prejudice to any other provision of the Client Registration Documents the Client has been made aware and the Client understands and agrees that the Member may charge additional financial charges according to the Rules, Bye-laws and Regulations of the Exchange(s) i.e. BSE and/ or NSE / MCX-SX and usual customs of the market.

- a. On the dealings made under or pursuant to this Client Registration Documents
- b. On the Balance outstanding payable to the Member;

Notwithstanding anything contrary contained in these present, any amounts which are overdue from the Client towards trading or on account of any other reason, GRETEX will charge delayed payment charges at the rate of 2% per month or such other rate as may be determined by GRETEX (but not exceeding 2% per month). The Client hereby authorises GRETEX to directly debit the same to the account of the Client at monthly interval.

The client shall be liable to penalty or may impose fines/penalties and other charges on non –payments of money, cheque bounce, increase in open position or any order/trades/deals/action of the client which are contrary to the Client Registration Documents /rules/regulation/bye-laws of the exchanges or SEBI from time to time.

All fines/penalties and charges levied due to acts/deeds or transaction of the client will be recovered by the trading member by debiting directly to the trading account of the client.

THE RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES (LIMITED TO THE EXTENT OF SETTLEMENT MARGIN OBLIGATION)

Without prejudice to GRETEX's other rights including the right to refer a matter to arbitration, GRETEX shall be entitled to liquidate / close all or any of the Client's position with oral intimation to the Client either directly or through any of its Branches or Sub Brokers or Remisers who have introduced the client for non-payment of margins, other lawful amounts due from the Client to GRETEX, Exchange, or any other lawful outstanding debts, etc. Any and all losses, financial charges and or incidentals expenses incurred by CH0ICE on account of such liquidation/closing out shall be recovered from the Client and / or charged to and borne by the Client and/or deductible by GRETEX from the monies and/or collateral margin of the Client available with GRETEX.

SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

In case of an internal shortage in any scrip in the same settlement where both buyer & seller are clients of GRETEX and seller does not deliver shares for his pay-in obligation:-

The short delivering client is provisionally debited by an amount equivalent to 125% of the rate at which the stock was sold by client. The securities delivered short are purchased from the market on T + 2day which is the Auction day on Exchange, and the purchase consideration is debited to the short delivering seller client along with the reversal entry of provisional amount debited earlier.

If the Client bought the shares and shares are not received from the Exchanges in Normal Payout, The same shall be received from exchanges through Auction mechanism or the transaction shall be Closed-out by Exchanges as per their Rules and Regulations. In Closed-out scenario, the Closed-out Credits shall be given to respective Client as and when received from the Exchanges.

If securities can not be purchased from market due to any force majeure condition, then all shortages not bought-in are deemed to be closed out and short delivering seller client is debited for Exchange NSE or BSE / MCX-SX as under:

NSE: at the higher of (i) the highest price between the first day of the trading day till the day of squaring-off, or (ii) closing price on the auction day plus 20%

BSE : at the higher of (i) highest price recorded in the scrip from the trading day on which the transaction took place upto a day prior to the day of the auction i.e , pay-in day, or , (ii) 20% above the closing price on the auction day

CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF A CLIENT

GRETEX shall at its discretion decide, from time to time, the volume of business which the Client may transact during any trading day on respective Exchange(s). Notwithstanding such an agreement / arrangement, GRETEX shall have absolute discretion to reduce the volume of business of the Client or restrict dealings by the Client without any prior notice to the Client interalia, having regard to:

1. the volatility in the market;
2. in view of impending price sensitive announcements;
3. any restrictions in relation to volume of trading / outstanding business or margins stipulated by any Exchange;
4. political instability in the Country;
5. presence of any other price sensitive factors;

6. failure by the Client to maintain the applicable collateral/margin and/ or
7. delays by the Client in meeting its obligations / dues relating to the business / dealings under this Client Registration Document or pursuant to any other Client Registration Document between the Client and the Member.

However the Stock Broker in its absolute discretion may considers it prudent to increase its exposure towards the Client.

TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT AT THE CLIENT REQUEST

On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

The stock broker can withhold the payouts of the client and suspends client trading account due to his surveillance action or judicial or any regulatory order / action against the client which may require to suspend client's trading account.

DEREGISTERING A CLIENT

Notwithstanding anything to the contrary stated in the Client Registration Document, the stock broker shall be entitled to terminate the account with immediate effect in any of the following circumstances:

- (i) If the action of the client are prima facie illegal/improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the client under any law in force, including direction to suspend/close from SEBI/Stock Exchange or any other statutory authority'
- (iii) On the death/lunacy or other disability of the Client;
- (iv) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other Client Registration Document with the Stock broker;
- (vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- (vii) If the Client is in breach of any term, condition or covenant of this Client Registration Document.
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;
- (ix) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (xi) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers it self to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

EXTRA ORDINARY EVENTS AND TERMINATION/SUSPENSION OF TRADING FACILITY:-

GRETEX will not be liable for losses caused directly or indirectly by government restriction, Exchange rulings, suspension of trading, computer, communication, telephone or system failure, war, earthquakes, flood, accident, power failure, equipment or software malfunction, lack of connectivity, congestion or disruption of communication network or links, software glitches or corruption, low processing speed, strikes or any other conditions beyond GRETEX's control resulting in non-execution, partial or incomplete execution of orders and the resulting financial loss, if any GRETEX may at any time terminate, discontinue or temporarily suspend trading facility provided to the Client in the event of any such extraordinary event occurring without giving prior notice to the Client.

INACTIVE / DORMAT ACCOUNT POLICY

Client account will be considered as inactive if the client does not trade for a continuous period of 12 months. Time Calculation shall be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive. The client has to make request for reactivation of their account. Funds and Securities of the Client shall be returned back to the client within reasonable time.

TRADING IN EXCHANGE IS IN ELECTRONIC MODE

Trading in Exchange is in Electronic Mode based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. The Client understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in

ther back office / front end system, or any such other problems/glitch whereby not being able to establish access to the trading system / network, which may be beyond our control and may result in delay in processing or not processing buy or sell Orders either in part or in full. The Client shall be fully liable and responsible for any such problem/fault.

Proprietary Trading

The stock broker (GRETEX SHARE BROKING LIMITED) hereby informs and declares to the client that, in addition to the client level trading, the stock broker, undertakes proprietary trading.

Mode of payment to and from the clients:

- 1- GRETEX SHARE BROKING LIMITED doesn't deal with its client vis-à-vis their trading by way of cash, accordingly all payment are made or received by them only through banking channels. further the client must make payments to the stock broker from his designated bank account only as mentioned in the kyc.
- 2- GRETEX SHARE BROKING LIMITED does not deal with its client vis-à-vis their trading by way of third party cheques. accordingly, if any payment is made otherwise, then it is credited to suspense account.

other charges:

- 1- Demat transaction charges will be debited to the client's trading account arised while scrip's are retained in GRETEX SHARE BROKING LIMITED client beneficiary account.
- 2- this is to inform you that the GRETEX SHARE BROKING LIMITED may charge, courier charges / postal charges for contract note / bills / statement of accounts / ledgers / statement of funds / securities on the request of the client in physical mode, even though client has already received the same through electronic mode.

RECORDING OF CONVERSATION:-

The client is aware and agrees that GRETEX may tape record the conversation between the client/client's representative and GRETEX, whether over the telephone or in person. GRETEX may produce before competent authorities, voluntarily or on such production being required by such authorities, recorded conversation or transcript thereof or both as valid evidence of the content of the conversation so recorded.

PMLA POLICY

GRETEX SHARE BROKING LIMITED has resolved that it would, as an internal policy, take adequate measures to prevent money laundering and shall put in place a frame-work to report cash and suspicious transactions to Financial Intelligence Unit (FIU) as per the guidelines of PMLA Rules, 2002.

A. Main features of the policy are :-

- 1) Compliance of the provisions of the PMLA and AML Guidelines
- 2) act as a central reference point and play an active role in identification & assessment of potentially suspicious transactions
- 3) Ensure that GRETEX discharges its legal obligation to report suspicious transactions to the concerned authorities.

B. The main aspect of this policy is Customer Due Diligence which means:

- 1) Obtaining sufficient information about the client in order to identify who is actual beneficial owner of the securities or on whose behalf transaction is conducted.
- 2) Verify the customer's identity using reliable, independent source document, data or information.
- 3) Conduct on- going due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client's background/financial status, its activities and risk profile.

The Customer Due Diligence Process includes three specific parameters:

- a) Policy for Acceptance of Clients
- b) Client Identification Procedure
- c) Suspicious Transactions identification & reporting

GRETEX is careful while accepting clients of special category like NRIs, HNIs, Trust, Charities, NGOs, Politically Exposed Persons (PEP), persons of foreign origin, companies having closed shareholding/ownership, companies dealing in foreign currency, shell companies, overseas entities, clients in high risk countries, non face to face clients, clients with dubious background. Current/Former Head of State, Current/Former senior high profile politician, Companies offering foreign exchange, etc.) or clients from high-risk countries (like Libya, Pakistan, Afghanistan, etc.) or clients belonging to countries where corruption/fraud level is high (like Nigeria, Burma, etc.). Scrutinize minutely the records/documents pertaining to clients belonging to aforesaid category. The client shall ensure that no account is being opened in a fictitious/benami name or on an anonymous basis.

C. Suspicious Transactions and its Reporting to FIU :-

GRETEX shall analyze and furnish details of suspicious transactions, if any to FIU if required of any client. This may be on the basis of Identity of Client, activity in accounts, nature or value of transactions.