

## POLICIES AND PROCEDURES OF THE STOCK BROKER

**a. PENNY STOCKS**

A Client will be allowed to trade in Penny Stocks i.e. Trade to Trade shares which fall in Z category and are being traded at value less than its face value, up to Rs. 1 Lakh per day with out any restriction or prohibition but in case value to be traded is more than Rs. 1 Lakh per day then 100% margin is to be deposited prior to trade.

**b. CLIENT'S EXPOSURE LIMIT**

In Cash Segments exposure limits of branches will be set by the Company on the basis of deposits available and client exposure limits will be set by branches.

In F&O and Currency Segments, exposure available to Clients will be based on Upfront Margins and deposits available with LSE Securities Limited.

**c. BROKERAGE RATE**

Brokerage to be charged inclusive of transactions charges but exclusive of Statutory Levies and subject to maximum brokerage permissible as per the rules, regulations of the Exchanges and SEBI.

**d. SELLING/CLOSING OF THE CLIENTS' POSITION WITHOUT PRIOR INTIMATION TO THE CLIENT**

LSE Securities Limited reserves the right (without affecting right to impose penalties as pointed out in point e) to sell the securities and close out positions of the clients without giving notice to the client, if there is a default in payment of dues, limited to the extent of debit obligations whether of pay-in or margin.

**e. PENALTIES/DELAYED PAYMENT IN CASE OF SETTLEMENT/MARGIN OBLIGATIONS.**

If there is delay in payment of margin or settlement obligations i.e. margins/credit balances lying in credit of the client are not transferred within one working day of the request by the client similarly debit balances in client accounts are not cleared with in three working days of the notice to clear the same, penalty @ 1.5% for every failure or part thereof is to be imposed on either party b y other party. Trading and further exposure will be barred till clearance of debit balance alongwith penalty.

**f. INTERNAL NETTING OF TRADES**

If shortages arise out of Internal netting of trades then local auction will be done and in case shares are not bought in auction then, internal closing will be done at highest price of the share from trading day till auction day or closing price of the share on the Auction day plus 10% which ever is higher in case of shortage of obligations.

**g. LIQUIDATION/CLOSE OUT POSITIONS.**

LSE Securities Limited shall be entitled to close out all or any clients' position for non payment of margins or any other dues, in the event of death of the client, insolvency of the client or otherwise barred by any regulatory authorities like SEBI, NSE, BSE, MCX-SX, PMLA regulations or any government authorities etc and at any point of time the client indulges in any manipulative or illegal activities. Further clients will not be allowed to take fresh positions.

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

On the written request of the client the trading will be suspended temporarily or account will be closed with in 24 hours.

**i. DEREGISTERING A CLIENT.**

Within 24 hours, on receiving the written request from the client and sub broker provided all dues are cleared. If the request is received from one party for the deactivation, then sending 30 days notice to the other party for confirmation and then account will be deactivated on receiving confirmation or expiry of 30 days which ever is earlier.

**j. INACTIVE ACCOUNTS**

If the client is inactive for the continuous period of 12 months that client's account will be considered as dormant account.

It will be activated on written request of the sub broker, if the above said period is less than two years and if period is more than two years, it will be activated on written request of the client only. Assets of those accounts will be transferred immediately on clients' request after clearance of dues, if any.

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(Client Signature)