

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

Policy a. refusal of orders for penny stocks

BCB Brokerage Private Limited (BBPL) does not place any restriction on trading of any listed security on any of the exchanges except in cases where there are Surveillance concerns like:

1. Securities on which Additional Surveillance Measure (ASM) have been applied
2. Securities on which Graded Surveillance Measure (GSM) have been applied
3. Securities in which unsolicited SMSs is found to be circulated
4. Securities which not in compliance with the listing requirements like Z Group, etc.
5. Any other security with any Surveillance concerns

Policy b. setting up client's exposure limit

BBPL sets the exposure allowed to the client based on the combination of the following factors:

1. Ledger balance
2. Securities provided as Margin Pledge
3. Early pay-in credit expected
4. Past track record of the client in their dealings
5. Networth/ goodwill of the clients
6. Recommendations of the Branch Manager/ Authorized Person

The decision of the Chief Risk Officer (CRO) on the matter is final.

Policy c. applicable brokerage rate (all securities/ all segments/ all exchanges)

Based on the track record of the clients, past and future volume expectations and the recommendations of the Branch Manager/ Authorized Person, the brokerage of the client is fixed on case to case basis and tariff sheet made. All charges will be capped to the limits allowed by SEBI/ Exchanges

Policy d. imposition of penalty/delayed payment charges by either party, specifying the rate and the period not resulting in funding by the broker in contravention of the applicable laws

In case of delay in settlement pay-in obligations/ margin obligations, such delay is interest of 1.5% per month may be charged to the clients (subject to it charging being in a manner not in contravention to applicable laws).

All penalties/ fees/ fines/ charges levied by any Exchange/ Clearing House/ Clearing Corporation/ SEBI/ any regulator on BBPL due to the acts/ actions/ orders/ trades of the clients will be recovered from the clients as long as such recovery is not restricted by law.

Policy e. 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)

In case the client fails to meet his margin/ settlement obligations on same being due, the member shall have the right to sell clients' securities or close clients' positions in a manner as permitted in the rules/ regulations/ bye laws/ circulars of the concerned exchanges

Policy f. shortages in obligations arising out of internal netting of trades

In case of internal shortage positions, the same shall be sent for self-auction facility where available. Where self-auction facility is not available/ not availed (and if permissible at the respective exchange), the securities shall be purchased back in the account of the seller who has not delivered, and the securities so purchased shall be given to the buyer in the receipt of the same. In case the securities cannot be purchased back for any reason whatsoever, the positions will be closed out as per Exchange formula.

Policy g. conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client

The risk management policy of BBPL is put on the website of the client. Based on the said policy, the member may not allow the client to take further position in the market. Further, the existing position of the client may be closed and the securities of the client lying with the trading member may be sold when:

1. The client fails to meet his commitment for deposit of funds/ securities (including cases of cheque return)
2. Where the client is unable to provide funds/ securities in a manner that can be transferred to the exchange immediately for pay-in/ margin obligations
3. When the trading member has reasonable grounds to believe that the client is involved in illegal/ unethical/ undesirable activities
4. In case of high market volatility where the current margins of the clients with the Trading Member does not cover the value at risk of the client
5. The client has not paid margins due

Policy h. temporarily suspending or closing a client's account at the client's request

At the written/ verifiable verbal request of the client, the trading account of the client would be put in the suspended mode. The said account would remain in suspended mode till such time the client requests for the reactivation of account.

Policy i. deregistering a client

A client will be deregistered on the following situations:

1. Where the client has defaulted at the trading member
2. At the request of the client for the same
3. By trading member with advance notice

Policy j. Policy for inactive accounts (dormant accounts)

A client will be marked as dormant/ inactive if no trade takes place for a period of twelve months. On the account being marked inactive, all the clients' funds and securities, if any, will be returned to the client. The account will be activated at the request of the client in a manner permissible by law.

Policy k. Additional information under SEBI circular ref. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20-Jun-2019

As per the SEBI circular ref. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20-Jun-2019 and the Frequently Asked Questions issued by the Stock exchanges on 27-Sep-2019, the following policies will be followed by us:

1. Where securities lying with BBPL in collateral or otherwise are in excess of what can be retained by BBPL as per the norms of the exchanges, such excess securities will be returned to the client at the time of funds settlement
2. Any instructions to BBPL for maintaining running account of securities shall stand deleted and BBPL shall not act upon such instructions
3. In case of non-meeting of settlement obligations, the positions of the clients shall be liquidated in the manner as prescribed in the Risk Management policy of BBPL.
4. The payment terms would be that the clients have to meet their margin and settlement obligations at a level as prescribed by the exchanges in the manner as prescribed in the Risk Management policy of BBPL.

This policy has been adopted by BCB Brokerage Private Limited at its Board Meeting held on 30-Sep-2021 and is subject to Annual Review.

Kindly note that the policy may have been revised over time. Latest version of the policy would be available on www.bcbbrokerage.com