

**POLICIES AND PROCEDURES FOR CLIENT DEALINGS – ALL EXCHANGES -  
MANDATORY  
(as required by SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009)  
Date April 27, 2015**

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. Sale of all securities held in the demat account of the clients is allowed

Policy b. setting up client's exposure limit

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

1. The funds and securities of the client lying with BBPL in the form of margins/ balances in the bank and demat accounts of the of the client for which Power of Attorney has been given to BBPL
2. Past track record of the client in their dealings
3. Networth/ goodwill of the clients
4. Recommendations of the Branch Manager/ Sub-brokers/ Authorized Person

The decision of the Director 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/ Sub-brokers/ 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 situations where the client funds are not made funds available to BBPL on the settlement day or the day on which the funds are due, interest of 18% may be charged to the clients (subject to it charging being in a manner not in contravention to applicable laws). Where the funds of the clients are converted into interest bearing forms like FDRs, the interest earned on such FDRs shall be credited to the clients

All penalty/ fees/ fines/ penalties / 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

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 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. In case where the self auction facility is not available, the positions would be closed out in a manner as prescribed by the Exchanges.

Where self auction facility is not available (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

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. When the clients request for the same

Policy j. Policy for inactive accounts

A client will be marked as inactive if no trade takes place for a period of six 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.

This policy has been adopted by BCB Brokerage Private Limited as on April 27, 2015 and may have been revised over time. Latest version of the policy would be available on [www.bcbbrokerage.com](http://www.bcbbrokerage.com). Changes, if any, will be communicated to the client by an approved mode of communication as per Exchanges/ SEBI.