

Ontrust

Mandatory Policies and Procedures

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERSTANDING AS SET FORTH IN THE KYC AGREEMENT, THE PARTIES THERETO HAVE AGREED TO THE FOLLOWING TERMS AND CONDITIONS:

- 1. The stockbroker declares that it has brought the contents of the risk disclosure document to the notice of client and made him / her / it aware of the significance of the said document. The client agrees that:
 - a) He / She / It has read and understood the risks involved in trading on a stock exchange.**
 - b) He / She / It shall be wholly responsible for all his investment decisions and trades.**
 - c) The failure of the client to understand the risk involved shall not render a contract as void or violable and the client shall be and shall continue to be responsible for all the risks and consequences for entering into trade in the segments into which the client chooses to trade.**
 - d) He / She / It has been disclosed / informed that the Stock Broker does trade in all segments of trading in the Exchange as 'Proprietary Trade'.****

2. Refusal of orders for Penny Stocks

“Penny Stocks” as generally understood are those scripts whose market price is less than its face value. As per company policy, the trades done in such stocks will be monitored. The client may be questioned about such trading by the Stock Broker. If found improper or manipulative or creating false or misleading appearance in the securities market, then the Stock Broker may refuse to allow the client from trading in such stocks.

Exchange also gives a list of illiquid securities on monthly basis, which are thinly traded shares of small companies and are infrequently traded. Such monthly lists are available with the dealers. If any client is found to be indulging in trading in such stocks in high volume (as a % to the total market volume), the Stock Broker may require the client to submit adequate clarification. As per its due diligence measures, if found necessary, the Stock Broker may disallow the client from trading in those scripts.

3. Setting up Client’s Exposure Limits:

The client agrees to abide by the exposure limits, if any, set by the stockbroker or by the Exchange or Clearing Corporation or SEBI from time to time at the time of entering into the agreement or availability of funds, margins cash or shares provided by the client. The client exposure is set on the basis of the financial soundness and turnover of the client.

In Futures & Options segment, exposure limit of each client is set, based on Margin money given by the client, as per the Exchange Regulations and shall vary from time to time. Certain financial disclosures / information are additionally required from clients who opt for trading in F&O or CD segment and are mandatory.

4. Applicable Brokerage Rate:

The brokerages Rate applicable to the clients vary from client to client depending on the category of the client i.e. HNI, Institutional, low, medium and high-risk client. At the time of induction of a new client, the financial stability of the client is assessed / measured and the expected volume is also determined and the brokerage is fixed with the mutual consent of the client. However, the brokerage rate charged from the clients does not exceed the maximum brokerage specified by the Exchange. If any mismatch in brokerage rate is found with agreed rate, the same can be brought to our notice.

The client agrees that the Brokerage for penny stock is higher than the normal Brokerage rates and is payable as per mutual understanding and may vary from client to client depending upon volumes and other parameters but would not exceed the maximum Brokerage permissible.

5. Imposition of penalty / delayed payment charges:

In case of delay of payment by the client to the Stock Broker on its due date, the Stock Broker may levy penalty in respect of such delayed payment though the same is not charged presently. The penalty charges on delayed payment on over due amount from the client would be @ 0.05% on daily basis. Delay Payment charges is only a penal measures. The client should not construe it is as funding arrangement. The Client cannot demand continuation of service on a permanent basis citing levy of delayed payment charges. The client will not be entitled to any interest on the credit balance / surplus margin available / kept with the Stock Broker.

6. The right to sell clients' securities or close clients' position, without giving notice to the clients, on account of non-payments of clients' dues:

Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the stock broker shall be entitled to liquidate / close out all or any of the client's positions for nonpayment of margins or other amounts, outstanding debts, etc. after giving telephonic reminder to the client and adjust the proceeds of such liquidation / close out, if any, against the client's liabilities / obligations. Any and all the losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the client.

Principally, company follows the practice of giving reasonable opportunity to the client to meet its obligation failing which the client position is squared off. However, the stock broker takes due consideration of long term association and the assurance of the client considering its ability to pay in due course.

7. Shortages in obligations arising out of internal netting of trades:

The client agrees that in case of shortages in obligations arising out of internal netting of trades, short shares are bought in the market and are transferred to the client who had not received the shares in pay out. The account of the client who has failed to deliver shares shall be debited for such market purchase and shall be payable by him / her / it.

8. Condition under which a client may not be allowed to take further position or the broker may close the existing position of a client:

The Client agrees that he / she / it may not be allowed to take further position, under the following situations:-

(i) The client has a due / debit and or continuous debit balance – Such client is allowed to close out his / her / its open position but is not allowed to take any new position by the Stock Broker at its sole discretion.

(ii) The client had defaulted in meeting cash or securities obligation leading to compulsory close out of the position by the Stock Broker.

(iii) The client may not be allowed to take exposure in that particular script in which the broker's limit has come to an end or where the exchange is not allowing any further position in that script.

9. Temporarily suspending or closing a client's account at the client's request:

(i) The account of client may be temporarily suspended on written request from the client and can only be reactivate after receiving a written request from the client along with such documentary evidence as may be specified by the stock broker from time to time.

(ii) In case, a client gives a request in writing for closing his / her / its account, then the account of the Client shall be settled and the trading code shall be closed in the front and back office of the Broker. However if the client is through a registered sub broker, the sub broker shall also be informed and he / she / it has to give his consent for closing the same. In future if the client seeks to re-open his account with the Stock Broker, he / it / she shall be required to submit a new KYC form and execute necessary documents as if a new account is being opened.

(iii) The Client further agrees that, due to non-payment of the dues of the Stock Broker, or against an order of SEBI / NSE against the client, or non-submission of information or documents as are mandatory or relevant, the account of the Client may be temporarily suspended.

(iv) If the client is tagged as a Dormant/ Inactivate Client, then the funds / securities lying with Ontrust may be refunded / returned to the client at his / her / its last known bank account / DP account or sent at last known address of the client as per Stock Broker records.

10. Deregistering a client:

The client agrees that he / she / it shall be de-registered if he / she / it is suspended from trading by any Regulatory authority or in case of failure of the client to meet his / her / its obligations to the Stock Broker / or on account of breach of terms and conditions of the agreement, the trading account of the client shall be closed after effecting full and final settlement of the accounts and securities of the client, if any.

11. Inactive accounts:

The account of a client who do not trade and remain inactive for eight consecutive calendar quarters reckoned from the end of the calendar quarters in which the client has traded shall be declared “inactive account” and will be temporarily suspended.

The Member reserves the right to ask for any documents in support of current address, bank account, demat account, financial status, etc before reactivating such inactive accounts.

SEBI Registration Number:

NSE CM : INB 231424632

NSE F&O : INF 231424632

NSE CDS : INE 231424632

Registered Office Address:

**403, Vardaan,
25-A, Camac Street,
Kolkata – 700016**

Corporate Office Address:

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