

## **Mandatory Policies and procedures of Zen Securities Limited (ZSL)**

(This is a mandatory document and the same is required to be executed by client. The following are the policies and procedures of ZSL pursuant to SEBI circular MIRSD/ SE/ Cir – 19/2009 dated December 3, 2009.)

### **Refusal of orders for Penny stocks:**

ZSL may refuse execution of orders in penny stocks or illiquid stocks or stocks having low liquidity or stocks in S,Z and B2 category or any other stocks which are quoting less than Rs. 10/- or ZSL may accept, refuse or partially accept any buy or sell order for execution from a client, as a part of due diligence and risk management policy. I / we agree to the same and undertake that I / we will not question the same.

### **Setting up of Client's Exposure Limits:**

ZSL may at its discretion give the exposure, equivalent to pre-determined multiple times of the net credit balance in the ledgers (across all segments), and the value of the collaterals given by the client (after applying appropriate hair cut). The level of exposure granted to the client will also depend on the track record of the client and / or market conditions and / or regulatory directives and or policies of ZSL. I / we agree to abide by exposure norms decided by ZSL, from time to time.

### **Applicable Brokerage rates:**

The client agrees to pay brokerage to ZSL as per the agreed terms. The brokerage rates vary from client to client. ZSL agrees that it shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchange / SEBI. I / we agree for the same.

### **Imposition of Penalty/ Delayed payment charges:**

ZSL reserves the right to levy penalty/delayed payment charges @ 18% p.a or at any other percentage as decided by ZSL from time to time, on the delayed payment beyond T + 2 day . ZSL shall pay delayed payment charges @18% p.a. for the delayed period in the event of delay in making payment to the client beyond 1 working day upon receipt of request from the client for pay-out. ZSL is authorized by the client to pass on to the client any penalty imposed by any Exchange/ SEBI / any other regulatory authority, which arises on account of the client. I / we agree for the same.

### **Right to sell client's securities or close client positions:**

ZSL reserves the right without prejudice to the other rights (including the right to refer matter to arbitration), with or without giving notice, to liquidate / close out all or any of the client's positions including intraday positions for non-payment of margins, MTMs or insufficient balances or any other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations/ margins etc. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the client. I / we agree for the same.

### **Shortages in obligations arising out of internal netting of Trades:**

ZSL may not be in a position to deliver shares purchased by client in the event of internal shortages and in such circumstances ZSL may cover such internal shortage upon noticing the shortage on or after T + 2 day. ZSL reserves the right to prescribe procedure from time to time for close out of transaction in case of non-availability of shares for covering. I / we agree for the same and will not question the procedure of ZSL in this regard.

### **Client may not be allowed to take further positions or TM may close the existing position of the client**

The client may not be allowed to take further position or ZSL shall close the existing position in the event of : a) non-payment of settlement obligations, margins, MTMs or other amounts or other debts with in the scheduled time to ZSL. b) death or insolvency of the client or his / it's otherwise becoming incapable of meeting the settlement obligation; c) directives received from time to time from exchange / SEBI/ regulatory authorities. d) a client makes a request in writing for discontinuance of trading account. e) any arbitration proceedings between the client and ZSL; f) the client incurs/ incurring abnormal notional loss/ MTM; g) the ZSL exceeds the scrip wise open positions/market wide positions as fixed by the exchanges. h) the client exceeds specific scrip/contract limits fixed by the ZSL from time to time, (i)exercising the discretion by ZSL. I / we agree for the same.

### **Temporarily suspending or closing a client's account**

ZSL shall suspend the trading account temporarily or close the client account a) at the client's request upon the receipt of the same in writing provided that there are no dues of funds and securities from the client. b) where the client has not cleared the naked or uncovered debits which are more than 5 days c) where the client account is under investigation by any regulatory body d) where the client is inactive for more than one year e) where the client has not updated the change in personal communication details like change in address, bank details, email id, mobile no., land line no. etc f) where the client is reported to or known to have expired. ZSL reserves the right to recovery of outstanding dues including securities, if any, due to ZSL from the client. I / we agree for the same.

### **Deregistering a client**

The client will be allowed to close/ deregister the trading account a) only upon receipt of written request and on clearing of all the dues in respect of funds and securities to ZSL. b) based on action taken SEBI/ Exchange/ any other regulatory body or being part of list of debarred entities published by SEBI. c) when the client is having suspicious background, link with suspicious organizations etc on the basis of information found in the website. In such an event ZSL may freeze the available securities / funds of the client. However no documents that were submitted by the client to ZSL will be returned to the client. I / we agree for the same.

I/We have clearly understood and agree to abide by aforesaid policies and procedures.

I/We also understood and agree that these policies and procedures can be changed by ZSL from time to time subject to posting of the amendments and modification therein on its website and their applicability with prospective effect.

Client Signature : **X**