

POLICY PROCEDURE MOENYBEE SECURITIES PVT LTD

a) Refusal of orders for penny stocks:

Although, the term “penny Stock” has not been defined by BSE/NSE or any stock exchange, SEBI a penny stock generally refers to a stock which has following mentioned characteristics:

- Has small market capitalization;
- Trades at a price less than its face value;
- Has unsound fundamentals;
- Is illiquid (A list of illiquid securities is jointly released by NSE & BSE from time to time.)

MONEYBEE recognizes that it is client’s decision to choose shares in which he/she would like to trade. However, MONEYBEE like to have special attention to dealing in “Penny Stock”. To this end,

- MONEYBEE may refuse to execute any client’s orders in penny stocks without assigning any reason for the same.
- Any large order for purchase or sale of a should be referred to Head-Dealing department, Managing Director before such orders are entered in the market for execution.
- Clients must ensure that trading in “Penny Stock” doesn’t result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in “Penny stock” doesn’t operate as a device to inflate or depress or cause fluctuations in the price of such stock.
- Clients are expected not to place orders in “Penny Stock” at price which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of MONEYBEE.
- In case of sale of “Penny Stock”, clients should ensure delivery of shares to MONEYBEE before pay-in date or client should transfer the shares to MONEYBEE before execution of such trade.
- Trading in such shares will attract 100% margin.

b) Setting up client’s exposure limit:

- Exposure limit for each client is determine by the Risk management department based on Net worth information, client’s financial capacity, prevailing market conditions and margin deposited by the client in the form of funds/securities with MONEYBEE. These limits may be set exchange-wise, segment-wise & scrip wise.
- MONEYBEE retains the discretion to set and modify from time to time any clients exposure limit decided as above.
- The limits are determined by Risk Management Department based on the above criteria and payment history of the client in consultation with back office.
- Whenever, any client has taken over or wants to take exposure in any security, MONEYBEE may call for appropriate margins in the form of early pay-in of shares or funds before or after execution of trades in cash segment. In case of any margin shortfall, the clients are told to reduce the position immediately to deposit extra margin to meet the shortfall. Otherwise MONEYBEE may refuse to trade on behalf of such client in its own discretion.

c) Applicable brokerage rate:

- Brokerage will be charged within the limits prescribed by SEBI/Exchange.

d) Imposition of penalty / delayed payment charges by either party, specifying the rate and the period:

- Penalty and other charges levied by Exchange pertaining to trading of the client shall be recovered from the respective client.
- If there is delay on part of client in satisfying his/her margin obligation or settlement obligations, then, MONEYBEE shall levy interest at the rate of 18% p.a. on such shortage amount for the delayed period on such client. MONEYBEE shall recover such delayed payment charges from the client by debiting the client's account.
- No interest or charges will be paid by MONEYBEE to any client in respect of retention of funds or securities towards meeting future settlement obligations and in respect of running account authorizations.

e) Right to sell client's securities or close client's positions, without giving notice to the client, on account of nonpayment of client's Dues:

- MONEYBEE has the right to close out /liquidate or square off any open position of the client (limited to the extent of settlement /margin obligation) without giving any prior notice, all or any of the client's positions as well as securities / collaterals placed as margin or other amount due from client in respect of settlement or any other dues that are recoverable from the client by MONEYBEE. The proceeds of the same shall be adjusted against the client's liabilities / obligations. Any loss or financial charges on account of such close-out / liquidation shall be debited to the client's account.

f) Shortages in obligations arising out of internal netting of trades:

- The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to pay-in/pay-out day. The securities delivered short are purchased from market on T+3 day which is the Auction day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies + 2% extra) is debited to the Short delivering seller client along with reversal entry of provisionally amount debited earlier.
- If securities cannot be purchased from the market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+3 day or Auction Day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies +20% extra). Where the delivery is matched partially or fully at the exchange clearing, the delivery and debits/ credits shall be as per Exchange Debits and Credits after deducting exchange penalties.
- In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure / record date, would be compulsory closed at higher of 20% above the official closing price on the auction day or highest traded price from first trading day of the settlement till the auction.

g) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of the client MONEYBEE shall have absolute discretion and authority to limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following mentioned conditions:

- Extreme volatility in the market or in particular scrip or in the F&O segment.
- If there is shortfall in the margin deposited by client with MONEYBEE.
- If there is insider trading restrictions on the client.

- If the client is undertaking any illegal trading practices or the client is suspected to be indulging in money laundering activities.
- If MONEYBEE has reached its limit in that scrip
- If the clients has breached the client-wise limit.
- If the client has taken or intends to take new position in a security which is in the ban period.
- If due to abnormal fall in the market, if market is closed.

h) Temporarily suspending or closing a client's account based at the client's request:

- Any client desirous of temporarily suspending his or her trading account has to give such request in writing to the management. After management's approval, any further dealing in such client's account will be blocked after all dues and payment duly paid to moneybee. Whenever, any suspended account wants to resume trading, request in writing should be made to management and management may ask for updated financial information & other details for reactivating such account. After receiving necessary documents, details etc. and approval from the management, client is reactivated & is allowed to carry out transaction.
- Similarly, any client desirous of closing his/her account permanently is required to inform in writing and the decision in this regard is taken by management. After necessary approval from the management, the client code is deactivated. Only after scrutinizing the compliance requirements and "no pending queries" confirmation is taken, securities and funds accounts are settled.

i) Deregistering a Client

- MONEYBEE may, in its absolute discretion, decide to deregister a particular client. The illustrative circumstances under which MONEYBEE may deregister a client are given below:
- SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market.
- Such client has been indicated by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market.
- Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering.
- Such client's name appears in the UN list of prohibiting entities or SEBI debarred list.
- Such client's account has been lying dormant for a long time or client is not traceable. Such client has declared insolvent or any legal proceedings to declare him/her as such have been intended.
- Such client has been irregular in fulfilling obligations towards margin or settlement dues.
- Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of MONEYBEE or may act as detriment to MONEYBEE's prospects.

As outstanding dues in the client's account will be communicated and collected from the client and the client will be able to pay such dues immediately on receiving such communication.

j) Inactive Client Account

- Client account will be considered as inactive if the client does not trade for the period of one year. The client has to make written request for reactivation of the trading account, with recent proofs and up gradation in KYC form.