

## **Jefferies India Private Limited POLICIES AND PROCEDURES**

Jefferies India Private Limited ("JIPL") is a SEBI registered Stock-broker, having membership of the National Stock Exchange of India Limited ("NSE") in the Capital Market and Futures & Options segments and BSE Limited ("BSE") in the Cash Equities segment.

Please take note of the following policies and procedures of JIPL:

### **1. Penny Stocks:**

A Security that trades at a relatively low price (generally such securities are trading below face value of the security) and has small market capitalization is a penny stock. These types of stocks are generally considered to be highly speculative & high risk because of their lack of liquidity, large bid- ask spreads, small capitalization and limited following and disclosure.

The client is also required to adhere to Exchange/ Members' guidelines and due diligence while trading in such stocks. Also SEBI / Exchange from time to time issues directives necessitating additional due diligence for dealing in such stock(s).

JIPL may exercise its discretion in refusing orders for stocks which have been notified as illiquid by NSE or BSE and trading below its face value ("penny stocks").

### **2. Exposure limits:**

JIPL may, at its discretion, assign and vary limits on the orders that the client can place through the JIPL's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.)

The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in securities specific/volume specific exposures etc.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance.

The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or client's inability to route any order through stock broker trading system on account of any such variation, reduction or imposition of limits.

### **3. Brokerage:**

JIPL shall charge brokerage not exceeding the maximum brokerage specified by the stock exchanges. Such brokerage shall be as mutually agreed between us from time to time.

### **4. Temporary suspension or closure of account:**

You are required to submit a written request for closure of account / temporary suspension of account clearly stating period of suspension, to JIPL. Upon receipt of request and after satisfying itself with respect to all information / documentation and settlement of your dues, JIPL shall act upon the request within reasonable time but no later than 30 days from the date of request. Such accounts shall be re-activated and any new requests for orders to trade shall be accepted from such clients only on receipt of formal communication from the client requesting re-activation of account in order to enable the client to trade

You and JIPL are entitled to close the account without giving any reasons to the other party, after giving notice in writing of not less than one month to the other party.

If the client wants to re-open the account, the client has to complete the applicable client registration process including due completion of applicable Know Your Customer (“KYC”) requirement

## **5. Penalty / Charges:**

If any regulatory penalty or charge is levied on JIPL due to your default in meeting your obligations, JIPL may recover such penalty or charge from you.

## **6. Right to sell securities / close –out positions without notice:**

In the event that you do not pay your lawful dues, JIPL will have the right to sell your securities placed with it as margin or close-out your positions, limited to the extent of settlement / margin obligation, without giving you prior notice thereof. The proceeds of the same shall be adjusted against your liabilities / obligations. The resulting losses / profits due to such close-out / liquidation shall be booked to your account.

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

In case there is any shortage in your settlement obligation to JIPL, you will strive to make good such shortage in accordance with the Rules, Regulations and Bye-laws of NSE and BSE. JIPL shall not be obliged to deliver any securities or pay any money to you unless and until the same has been received by the JIPL from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and you have fulfilled your obligations first. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

### **(a) Short Delivery to the Exchange for scrip at the broker level:**

In case of short delivery to exchange, the settlement happens as per the auction/close-out

mechanism of Exchange and auction/close-out debit received shall be passed to the defaulting client who did not fulfill his selling obligation.

**(b) Short delivery of pay-out to clients who bought the scrip on that day (Client to Client shortage):**

The Valuation price shall be higher of, 5% above the closing price of Auction date in normal market of the exchange, or

Highest traded price between Trade date and Auction date Defaulting client on sell side will be debited by the amount equivalent to the quantity short delivered multiplied by the valuation price. The client on the buy side will be credited by the same amount debited to defaulting client on sell side as computed above. All losses to the client on account of the above shall be borne solely by the client and JIPL shall not be responsible for the same. In case of any claim against JIPL, the Client shall indemnify JIPL in this regard.

**(c) Mechanism of choosing corresponding clients on the buy side:**

Corresponding clients on the buy side are chosen on the basis of the descending quantity of shares bought by them i.e. first the client (say X) who has purchased highest quantity will be picked up and if the shortage of shares is more than the quantity of shares bought by the client X, then the client who has purchased the next highest quantity will be picked up so on and so forth.

**8. Restriction on further positions / close-out of existing positions:**

JIPL shall have absolute discretion to limit your further positions or to close-out any of your existing positions without giving you any prior notice, under certain conditions including but not limited to the following:

- Margin shortfall
- Restrictions imposed by the regulators
- Exhaustion of limits imposed by the stock exchanges
- Extreme volatility in the market or in a particular stock
- Stoppage of trading by the stock exchanges due to index based market-wide circuit breaker mechanism
- Any unforeseen adverse market conditions or natural calamity

The proceeds of the same shall be adjusted against your liabilities / obligations. The resulting losses / profits due to such close-out / liquidation shall be booked to your account.

## **9. De-registration:**

JIPL shall de-register you as a client, if you are barred by SEBI or any regulatory authority from dealing in the securities market.

## **10. Dormant clients:**

JIPL shall treat you as a dormant client if you do not carry out any transactions for a long period of time based on a risk based criteria, for eg more than 3 years. Your account will then be either re- activated or closed. For reactivation of closed accounts, we shall carry out KYC process again.

## **11. Business Continuity/DR plan:**

Jefferies India Private Limited has appropriate and adequate Business Continuity/DR plan in place. However, please note that Jefferies India Private Limited is not required to comply with the Business Continuity/DR plan under the existing regulatory provisions as envisaged by NSE Circular NSE/COMP/50610 and BSE Circular 20211215-63 both dated December 15, 2021.

Please note that other than above, JIPL has put in place various policies and procedures for internal control, including but not limited to the Trading Error Management Policy, Record Keeping Policy, Anti-Money Laundering Policy, etc.

## **12. Policy on Handling of Good Till Cancelled Orders offered by Members to Clients**

**(a) Background:-** Exchanges vide its circulars NSE/INSP/62528 dated June 21, 2024 and 20240622-2 dated June 22, 2024, NSE circular NSE/INSP/63789 dated September 06, 2024 and circulars issued from time to time pertaining to 'Policy on Handling of Good Till Cancelled Orders offered by Members to Clients' It is further informed that the policy shall include:-

- Details of Good Till Cancelled/Good Till Triggered/orders of similar type provided by member including its validity.
- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

Pursuant to the same, JIPL has formulated this policy in line with the regulatory requirements.

**(b) Details of Good Till Cancelled/Good Till Triggered/orders of similar type:-**

- JIPL facilitates placing orders which are GTC/Good Till Date (GTD).
- GTD orders are permitted in both F&O and Cash Equities segments.
- Custodians of the client who are also registered Market Intermediaries take care of margin requirements of Institutional client's trades.
- The order will be valid till fully executed or cancelled by the client.
- Orders are triggered when the price and conditions set by the client are matched.

**(c) Manner of handling of such orders in case of corporate actions:-**

- No cancellations are initiated.

**(d) Updating Clients of upcoming Corporate Actions:-**

- Clients are informed about all orders received under GTD concerning corporate actions within 24 hours, ensuring timely communication upon order receipt.

**(e) Other points:-**

- The said policy shall be made part of the Account Opening Form/Kit under heading "Policy on Handling of Good Till Cancelled Orders of Client" of Policy and Procedures document and shall also display the same on JIPL's website under the section: "Investor Advisory".
- Any of the above condition can be changed without prior intimation at the discretion of JIPL.
- The Compliance Officer is authorized to provide any suitable advice/clarification/exception on the said policy.