



Policy on Penny Stocks, Client Exposure Limits, Right to sell client's securities and open positions

(A) Refusal of orders for Penny Stocks

Penny stocks are scrips which have very low value and may or may not be illiquid. Most times there would be very few buyers/sellers for such scrips. The exchange (NSE, BSE and MSEI) releases a list of such scrips and they are termed as illiquid securities.

Indus Portfolio Pvt Ltd does not encourage trades in penny stocks:-
Indus Portfolio Pvt Ltd may permit trades in a penny or illiquid scrip subject to certain conditions, in consonance with all the relevant Rules and Regulations prescribed by SEBI/Exchanges.

In case of a buy transaction the client may be asked to deposit the full value of scrip which the clients intends to purchase, in case of sale transaction, the scrip will necessarily be transferred to Indus Portfolio Pvt Ltd's margin account (prior to placing the sale order).

Past trading pattern or records of the client including the KYC/Agreement will require to be reviewed to enable an updated assessment of past trading pattern and financial strength.

(B) Client's exposure Limits

- Exposure is allowed to the clients based on the margin available in form of funds or approved securities valued after deducting an appropriate var margin. Client is liable to pay applicable initial margins, withholding margins, special margins or such other margins as are imposed by the Exchange. Further Indus Portfolio Pvt Ltd at it's discretion may collect such additional margin or may further reduce the margin based on factors such as, client



level positions, volatility in a particular stock or the market in general. Exposure allowed to clients may vary, keeping in view the clients past trading performance, quality of collateral, market circumstances and dynamics and other such factors.

- Clients who trade through the internet, the exposure limit may be ascertained by them on the trading portal. Clients executing trades through a Sub Broker or Branches may check their exposure positions with the sub-broker/Branch.
- Indus Portfolio Pvt Ltd may at any time, at its sole discretion and without prior notice, prohibit or restrict the orders placement in certain penny securities based on certain risk parameters.

C. Right to sell client's securities or close client's positions, without giving notice to the client on account of non-payment by client:-

- Upfront collected margin falling short after making of trades—not made up with 12 hrs.
- Non-replenishment and the margin demanded by tendering additional funds or securities.
- In accordance with Exchange/SEBI guidelines, Indus Portfolio Pvt Ltd retains the right to square off the position without giving any notice to the client.
- for the shares purchased before the pay-in date as fixed by the Exchange.

Important Note.

1. In case the client fails to make the payment, Indus Portfolio Pvt Ltd may liquidate the securities in the clients' account to ensure that adequate credit is received for the shares purchased. This square off may be done on or before the 5th day from the settlement date.
2. Indus Portfolio Pvt Ltd shall endeavor as far as practicable to give adequate prior information to the client for such liquidation. It shall inform the client with the mobile number and or email id registered with Indus Portfolio Pvt



Ltd. For clients to whom a login and password is given to access their account on the website www.Indusinvest.com or such other URL that may be provided by Indus Portfolio Pvt Ltd from time to time, where they are required to login and available balance of funds and securities lying with us. It shall be the clients' responsibility to ensure that adequate credit balance is available in the account.

3. The above guidelines may be amended at the discretion of Indus Portfolio Pvt Ltd and in terms of the market conditions. In cases where the market is volatile and there is a sudden spurt in scrip price then Indus Portfolio Pvt Ltd may square off position without any notice due to the paucity of time and other such circumstances

Indus Portfolio Pvt. Ltd. will not take any responsibility in case of failure in liquidating positions in spite of its best efforts to do so.

4. The priority of the positions to be squared off i.e. which positions to be squared off first, would be discretion of Indus Portfolio Pvt Ltd.

- i) Indus Portfolio Pvt Ltd reserves the right to square up the positions or sell client's securities under the following circumstances.
- ii) Where limits given to clients have breached
- iii) Where the clients have defaulted on existing obligation and/or have failed to make payments/deliver securities to Indus Portfolio Pvt Ltd with the stipulated time period of exchange guidelines.

5. In addition to above in case of derivative transactions

- Where the margin or securities placed by the client with IPPL fall short of applicable minimum margin
- Where Mark to market losses on the open position has reached the 80 % of margin placed with IPPL.

Open positions or selling of the securities may be executed on such exchange and at such price as may be decided by Indus Portfolio Pvt Ltd.

- Client shall be solely responsible for any resultant losses incurred to



client's due to selling of client's securities or squaring off the clients open positions

- The position will be squared as per below priority
- Stock with high value and/or most liquid stock will be squared up first and so on till our debit balance is cleared
- In case there is position in F&O segment position with higher margin will be squared first.
- In case there is a position in cash and derivative segment, future & option position would be squared first then cash position would be squared off in case shortfall exists.

E. Delayed payment charges

Indus Portfolio Pvt Ltd follows the practice of posting the settlement obligation for the transaction in the client ledger on the settlement date. All clients are advised to make the payment before the pay-in time on the settlement day. As, it is obligatory for a broker to meet the settlement obligation "charges for delayed payment" shall be debited in the client's account for the period of delay. The "charges for delayed payment" are levied to discourage delayed payment from clients "Charges for delayed payment" shall be calculated on the respective ledger debit of the clients at a rate of 18% p.a. of the debit balance in the account. For the purpose of reckoning debit balance, the debit balance in the client ledger is consolidated across all segments of the respective exchange after giving effect to the release of margin.

F. Charges on FO position

In the Equity Derivative Segment and Currency Derivative Segment, we accept the approved securities from clients for margin purpose. Exchanges stipulate that for



overnight F&O positions, 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin.

If there is not enough cash in the client account, your account will be in debit balance and you will have to bear delayed payment charges at 18 % p.a. applicable on the debit amount. Assuming you take positions that require a margin of Rs 1 lakh, you will need at least Rs 50,000 in cash irrespective of how much collateral margin you have. If you don't have Rs 50,000/-, delayed charges at 18% will be payable for the amount short of Rs.50,000/-.

