



POLICIES RELATING TO SYSTEM & PROCEDURE

Policy for Penny Stock

The stocks, which are appearing in the list of illiquid securities issued by the Exchanges every month. These stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depend on the market condition and RMS Policy of the Mukul Amratlal Sonawala RMS reserve the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

Setting up client's exposure limits

Mukul Amratlal Sonawala may from time to time impose and vary limits on the orders that the client can place through the Mukul Amratlal Sonawala'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 Mukul Amratlal Sonawala may need to vary or reduce the limits or impose new limits urgently on the basis of the Mukul Amratlal Sonawala's risk perception and other factors considered relevant by the Mukul Amratlal Sonawala including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level / market level limits in security specific / volume specific exposures etc.), and the Mukul Amratlal Sonawala may be unable to inform the client of such variation reduction or imposition in advance. The client agrees that the Mukul Amratlal Sonawala shall not be responsible for such variation, reduction or imposition or the client's inability or route any order through the Mukul Amratlal Sonawala's trading system on account of any such variation, reduction or imposition of limits. The Client further agrees that the Mukul Amratlal Sonawala may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the Mukul Amratlal Sonawala, or it may subject any order place by the client to review before its entry into the trading systems any my refuse to execute / allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being outside the limits set by Mukul Amratlal Sonawala /exchange/SEBI and any other reasons which the Mukul Amratlal Sonawala may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

Mukul Amratlal Sonawala has margin based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their risk perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selection Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure take on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

