

## **CENTRICITY SECURITIES PRIVATE LIMITED**

CIN: U66309HR2024PTC121328

Website: [www.centricity.co.in](http://www.centricity.co.in)

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### **POLICIES AND PROCEURES APPLICABLE TO CLIENT OF CENTRICITY SECURITIES PRIVATE LIMITED**

#### **REFUSAL OF ORDERS FOR PENNY STOCKS**

Centricity Securities Private Limited (CSPL) normally offers trading facility to its clients in all the compulsorily dematerialised stocks which are listed on the Stock Exchanges. However, CSPL discourages/ restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to CSPL.

“Penny Stocks” for this purpose shall include:

- a. Stocks appearing in the list of illiquid securities issued by the Exchanges from time to time.
- b. Stocks which are highly illiquid and have a low market capitalization and ‘Z’ Group Securities.
- c. Any securities as may be restricted for trading by Exchanges.
- d. Stocks categorized by exchange in ASM, GSM, Unsolicited SMS
- e. Any other securities as may be restricted for trading by CSPL based on its internal evaluation.

As a part of Risk Management System, CSPL restricts clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Also, CSPL have/may have in place further restrictions in terms of quantity/ value in each/all penny stocks together as notified by its extant circulars. Further in case of Internet Trading clients, CSPL may at any time at its sole discretion block/ restrict the client’s online trading terminal to prevent the client from placing orders in such penny stocks through the Online Trading Platform of CSPL. Further in case the client is able to place an order for penny stocks which are restricted by CSPL through Online Trading Platform or otherwise, CSPL may not accept such order.

CSPL shall not be held liable for restricting/ prohibiting trade in penny stocks at any time. Further CSPL shall not be held liable or responsible in any manner whatsoever for any refusal/cancellation of orders for trading in penny stocks/other securities and the Client shall indemnify CSPL in respect of any loss caused to CSPL by virtue of the Client trading in penny stocks.

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### **SETTING UP OF CLIENT'S EXPOSURE LIMITS**

As part of risk management, CSPL accepts margin from clients in form of funds, pledged securities and other forms prescribed by Regulator from time to time.

Margin available for trading margin = Adjusted Ledger Balance + After Haircut Value of pledge stocks – Required exchange margin on unsettled sell transactions/Unsettled derivative credit bills.

The trading ledger balance is adjusted to factor unclear cheque, 1.5 times value of undelivered stocks and debit balance in broker margin funding account from the clients trading ledger balance.

CSPL shall set client's exposure limits depending on the type of securities provided as Margin/ available funds in the client's ledger plus Fixed Deposits/ Bank Guarantees provided by the client and the client profile/ financial status. Exposure limits are also set based on categories of stocks/ position (derivatives) client can trade. Securities that are acceptable as margin and their categorization may be changed by CSPL from time to time at its sole discretion. Further client categorization may also be changed based on various factors including trading pattern of clients, profile/ residential status/ financial status of client.

CSPL from time to time shall apply such haircuts as may be decided by CSPL on the approved securities against which the Exposure limits are given to the client. CSPL may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/Exchanges as part of its Risk Management System.

Subject to the client's exposure limits, client may trade in securities and/ or take positions in the futures and options segment. Client shall abide by the exposure limits, if any, set by CSPL or by the Exchange or Clearing Corporation or SEBI from time to time. Limits/ Exposure provided shall vary based on the intraday/ delivery/ carry forward positions made by the client.

The exposure limits set by CSPL does not by itself create any right for the Client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits. The client agrees to compensate CSPL in the event

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of CSPL suffering any loss, harm or injury on account of exposure given and/or withdrawn. In case of sale of Securities, such sale may at the discretion of CSPL be provided only to the extent of the availability of securities in the account of the client (DP free Stock, DP lien/ hold marked securities, beneficiary and collateral stock). Further the credit received against sale may be used for exposure as may be decided by CSPL from time to time.

In case of derivatives, Clients shall be allowed to trade only up to the applicable client-wise position limits set by the Exchanges/Regulators from time to time. CSPL may from time-to-time demand additional margin from the client in the form of funds or securities if there is a requirement for the same and the client shall be required to provide the same.

### **APPLICABLE BROKERAGE RATES**

The Schedule of Brokerage and other charges leviable by CSPL on the clients are provide under the heading "Schedule of Brokerage and Other Charges" in this Form. Within the mentioned scale, the brokerage and other charges as agreed by the client is indicated and duly signed by the client in that section. If there is any upward revision of brokerage, the same will be informed to the client with 15 days prior notice. However, all the brokerage and other charges are subject to the maximum limits as prescribed by SEBI/ Exchanges/ Government and other Regulatory authorities from time to time.

### **IMPOSITION OF PENALTY OR DELAYED PAYMENT CHARGES**

The clients are required to settle the pay-in/ provide margin within the time limits provided by Exchanges/ SEBI/ CSPL risk management system. In case the client fails to provide the same within the prescribed time, delayed payment charges up to 0.045% per day, simple interest, compounded monthly, shall be levied on the client's account on any delayed payments towards trading either in the cash or derivatives segments or on account of any other reason beyond the due date of payment as may be prescribed by CSPL. Such delayed payment charges shall be directly debited to the account of the Client at the end of every month. This is only a penal measure and brings in discipline in the clients to clear the dues in time as CSPL had to clear its obligations to the Exchange as per the time limits set by the Exchanges. CSPL reserves the right of imposition of delayed payment charges on the client account and the client shall be liable for payment of such charges at such rate as may be prescribed by CSPL from time to time.

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### **MARK TO MARKET LOSS**

The mark to market loss is monitored against the net-worth / margins available in the trading account. The Client's net-worth/ margins available is total of adjusted ledger balance + Holding value of pledge securities + SPAN + Exposure margin requirement on derivative segment + Receipt of funds during the day – payment of funds during the day. CSPL shall not be hold responsible for any delay, losses, brokerage, other charges, margin shortfall penalties etc.

- a) The client is notified once mark to market loss reaches to 50% of the client net-worth available in trading account.
- b) All open positions of all derivative segment and intraday products are liquidated once mark to market loss reaches to 80% of the client net-worth available in trading account.

### **SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES FOR EQUITIES OR PHYSICAL SETTLEMENT OF EQUITY DERIVATIVE CONTRACT**

Shortages arising out of internal netting of trades shall be strictly handled as per SEBI/Exchange prescribed Self Auction mechanism. Any charges levied by Exchanges/SEBI shall be recovered from clients

### **CONDITIONS UNDER WHICH CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITIONS OR BROKER MAY CLOSE EXISTING POSITIONS OF CLIENT**

In addition to the conditions as provided under the policy of right to sell securities and close out client's open position as detailed in point 5 above, CSPL shall have the right to refuse to execute trades/ allow the client to take further positions and/ or close out the existing positions of client under following circumstances:

- a) As a result of any Regulatory directive/ restriction;
- b) Non-receipt of funds/ securities and/ or bouncing of cheque received from the client towards the obligations/margin/ ledger balances;
- c) Due to technical reasons;
- d) securities breaching the limits specified by the Exchanges/ regulators from time to time
- e) In case of failure to meet margin including mark to market margins by the client;
- f) In case securities to be transacted by client are not in dematerialized form

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- g) Any other conditions as may be specified by CSPL from time to time in view of market conditions, regulatory requirements, internal policies etc and risk management system;
- h) Due to any force majeure event beyond the control of CSPL

CSPL shall not be responsible for any loss incurred and the client shall indemnify CSPL in this regard.

### **TEMPORARILY SUSPENDING OR CLOSING OF CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST**

CSPL may suspend or close the trading account of the client pursuant to SEBI or any other Regulatory directive for such period as may be prescribed by the respective Regulator. CSPL may further at its sole discretion and with/without information to the CLIENT, prohibit or restrict or block the CLIENT's access to the use of the web site or related services and the CLIENT's ability to trade due to market conditions and other internal policies including policy with respect to prevention of money laundering.

Client can initiate temporary suspension/ closure of its account at any time by giving a request to CSPL in writing 15 days in advance. However, such suspension/ closure will be effected subject to clearance of all dues and settlement obligations by the client.

Trades in the account of the client during the period of such temporary suspension shall not be permitted.

Notwithstanding any such suspension/ closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure/ suspension shall continue to subsist and binding on the client.

In case the account has been temporarily suspended at the request of the client, the account shall be reactivated only on submission of a written request for reactivation by the client.

### **TREATMENT OF INACTIVE ACCOUNTS**

Pursuant to SEBI and Exchange directive, Trading and/or demat account will be considered as 'Inactive account' if the client has not operated the same for continuous period of one year. Such inactive account will be blocked for further transactions by the

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client. The client will have to submit following documents / confirmation, for re-activation of such blocked account:

1. Call the customer care centre identifying himself (through validation questions) and requesting for activation of account for placing orders / transacting in the account; OR
2. Client can give the duly signed request in writing at any Branch offices of CSPL OR
3. By placing the request for re-activation of account through the Internet Trading portal.

During the blocked period if there is any debit / dues to CSPL in client's account, CSPL shall have the authority to liquidate the client's position to the required extent during the blocked period.

During the blocked period if any corporate actions or pay-outs are due for return to the client, the same will be affected / returned by CSPL to the client's account.

### **PAYMENT**

All payments shall be made by the Client in favour of "Ce" by way of account payee cheque / demand draft / pay order or by way of direct credit to the bank account of CSPL through RTGS / NEFT / IMPS or through any other banking channels acceptable to CSPL.

- a) The Client shall make all payments in Indian Rupees unless otherwise specified.
- b) The Client shall ensure that the cheque / demand draft issued by the Client is honoured on presentation. In case of dishonour of cheque, CSPL shall be entitled to debit the account of the Client with the bank charges and such other incidental charges as may be levied by the bank.
- c) The Client shall ensure that all funds required for margin / pay-in obligations are credited to the account of CSPL within the time prescribed by the Exchanges / SEBI / CSPL. In case of delay, CSPL shall be entitled to levy delayed payment charges as mentioned above.
- d) The Client agrees that CSPL shall have the right to appropriate any credit lying in the Client's account towards any outstanding dues of the Client in any segment.
- e) In case the Client fails to make payment of any outstanding dues within the stipulated time, CSPL shall be entitled to initiate appropriate action including but

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not limited to liquidation of securities, closure of open positions, and/or legal proceedings.

- f) The Client shall not be entitled to any interest on the credit balance lying in the trading account unless otherwise specifically agreed in writing by CSPL.
- g) The Client shall provide necessary bank account details and update the same from time to time. CSPL shall not be responsible for any delay or non-credit of funds arising out of incorrect bank details provided by the Client.
- h) Any changes in the bank account details of CSPL shall be notified to the Client through official communication channels. The Client shall verify such communication before effecting any payment.

**Policy and procedure approved by board on 22nd April 2026**