

# Frontline Stock Brokers Private Limited

(Formerly known as Frontline Capital Services Limited)

Registered Off :M- 6 , 2<sup>nd</sup> & 3<sup>rd</sup> Floor , Greater Kailash - II , New Delhi - 110048

Corporate Office: B-22 , Sector -4 Noida - 201301

## **POLICY FOR INACTIVE CLIENTS**

Clients having no trades during last financial year (excluding those who have registered during last financial year) will be treated as inactive clients and their status will be marked accordingly in to back office system after settling dues and returning collaterals, if any, Re activation of such clients will be done only after completing of due diligence procedure being followed by the company at that point of time.

### **Setting up of Client's Exposure Limits:**

The Company will fix the limit in value for each and every Buy/Sell Order/s of any particular client; order/s will be executed in normal course based on "Income level" for the year confirmed by the client and other considerations. The company will not be bound to disclose the rational/logic of their decision (about fixation of the monetary limit) However if requested by the client for any specific transaction(s) to be carried out as a special case then it may be considered on merit.

### **Applicable Brokerage Rate:**

At present SEBI permits maximum brokerage @ 2.5% of the turnover the Company charges brokerage to its clients at the rates below this maximum permissible limits. This rate will be revised by the company based on volume of the client's business/market conditions/ other relevant factors. Any change in the rate of brokerage will be intimated to the client.

### **Imposition of penalty/delayed payment charges by client –Rate period:**

Clients who have a "Running Account" with the Company will have to make payments due to the company on due date/s. If payments is not made to the company on due date after considering one working day as Grace Period interest will be charged to the particular client at the rate of 12% to 18% (Twelve to Eighteen per cent) per annum. Company can sell client's securities or close client's out standing position to clear its debit. If any client fails to pay dues on due date for more than three occasions in any three months period the company may consider de – registering that particular client. The Company will make payments to all clients other than those who have agreed to have "Running Account" on due date. However all concerned employees are hereby warned to ensure that there is no default in payment by the company to any client on due date as stated above. If there is any problem in complying with this instruction the matter should immediately be brought to the attention of the Whole Time Director/Director.

**The right to sell client's securities or close client's position, without giving notice to the client, on account of non-payment of client's dues:**

In case any particular client has failed to make payment on due date then the company will sell that particular client's securities or close that particular client's position, without giving notice to the client on account of non-payment of dues

**Shortages in obligations arising out of internal netting of trades:**

In case of BSE, shortages arising out of internal netting of trades are given for self auction to the exchange through exchange mechanisms.

In case of NSE, shortages arising out of internal netting of trades client shortages are closed out by the company as per the guidelines issued from time to time by the exchange.

In case of shortages due to Internal Netting of trades, if the company is required to pay any penalty to the Exchange/s it will be charged to the client concerned.

**Conditions under which client may not be allowed to take further position or broker may close the existing position of a client:**

It is to be noted that under following circumstances a client will not be allowed to take further position or the company may close that particular client's position (1) If the particular client is a defaulter of amount due to the company (2) Value of the collateral is not sufficient to meet the Losses incurred by the client (3) If according to the company market conditions are likely to turn unfavorable, based on the information available (4) That particular client is barred from trading on the exchanges by SEBI/Exchanges (5) Political/financial instability in the country or otherwise.

**Temporarily suspending or closing a client's account at the client's request:**

It is to be noted that under following circumstances any particular client's account may be suspended/closed (1) On receipt of written instruction from that particular client (2) The client being barred from Trading on the exchange/s by SEBI/ Exchange/s (3) The client has defaulted in making payment on due date to the company (4) On receipt of any adverse information by the company about the client.

**De-Registering a client:**

It is to be noted that any particular client/s who is/are covered under the following category will be deregistered at the company's, discretion. (1) The client/s is/are barred from trading on the Exchange/s by SEBI/Exchange/s (2) The client has defaulted in making payment on due date to the company (3) On receipt of any adverse information by the company about the client (4) The client not trading through the company continuously for more than 12 months (5) On the death of the client

**Policy communication:**

A copy of this policy shall be made available to all the relevant staff/persons such as: compliance officer and department in-charge of registration of clients. Further, a copy of this policy has to be displayed on our intranet.

**For Frontline Stock Brokers Private Limited  
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**Director**