

**POLICIES AND PROCEDURES APPLICABLE TO CLIENTS OF IIFL CAPITAL SERVICES LIMITED****1. REFUSAL OF ORDERS FOR PENNY STOCKS**

IIFL Capital Services Limited ("IIFL Capital") normally offers trading facility to its clients in all the compulsorily dematerialised stocks which

are listed on the Stock Exchanges. However IIFL Capital discourages/ restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to IIFL Capital.

"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 IIFL Capital based on its internal evaluation.

As a part of Risk Management System, IIFL Capital restricts clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Also IIFL Capital 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, IIFL Capital 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 IIFL Capital. Further in case the client is able to place an order for penny stocks which are restricted by IIFL through Online Trading Platform or otherwise, IIFL may not accept such order.

IIFL shall not be held liable for restricting/ prohibiting trade in penny stocks at any time. Further IIFL 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 IIFL in respect of any loss caused to IIFL by virtue of the Client trading in penny stocks.

**2. SETTING UP OF CLIENT'S EXPOSURE LIMITS**

As part of risk management, IIFL Capital Services Limited ("IIFL Capital") 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.

IIFL Capital 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 IIFL Capital 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.

IIFL Capital from time to time shall apply such haircuts as may be decided by IIFL Capital on the approved securities against which the Exposure limits are given to the client. IIFL Capital 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 IIFL Capital 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 IIFL Capital 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 IIFL Capital in the event of IIFL Capital 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 IIFL Capital 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 IIFL Capital 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. IIFL Capital 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.

### **A. Capital Market Segment(including SLBM segment)**

It is mandatorily to pay VaR margins, Extreme loss Margin (ELM) and other applicable margins (ranging between 20% - 100%) on an upfront basis i.e. in advance of trade. Other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, shall be collected within 'T+2' working days.

Intraday trading, Cover and bracket order (in Equity segment of NSE, BSE) is provided on selected scrips to clients for buying and short selling subject to upfront margin between 15% to 100% (subject to changes). All open positions of the client marked as intraday trades, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions.

### **B. Derivative segment (Equity, Currency, Commodity etc.)**

It is mandatory to pay SPAN/ Initial margin & Extreme loss margin on an upfront basis i.e. in advance of trade. Delivery Margin (for F&O) and margin on consolidated crystallized obligation (for F&O and Currency) shall be payable by T+1 day. However, in case of currency future contracts, final settlement amount shall be payable by T+2 day. Further, for Commodity derivatives, other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, shall be payable within 'T+2' working days.

Intraday trading is provided on selected derivative contracts with upfront margin requirement between 75% to 100% of SPAN + EXPOSURE + other applicable margin (subject to changes). All open positions of the client marked as intraday trades, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions.

**C. T+6 Settlement** – After creating buy position with upfront margin requirement between 20% to 100% (subject to changes), the settlement amount has to be paid before T+6 day. No further exposure to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from date of pay-in.

**D. Broker margin funding facility in equity segment (NSE)** – The facility allows the client to carry forward equity positions till the time positions are squared off or payment is made. The upfront Margin & MTM in the range of 25% to 100% (subject to changes) is applicable and required to be paid in the form of funds/ pledged securities. This facility is available only for shares purchased in the NSE. Further, the clients are required to authenticate the funded stock pledge within T+2 else funding on given security will be reversed on T+2 EOD.

## **3. APPLICABLE BROKERAGE RATES**

The Schedule of Brokerage and other charges leviable by IIFL Capital on the clients are provided 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.

## **4. 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/ IIFL Capital risk management system. In case the client fails to provide the same within the prescribed time, delayed payment charges up to 24% p.a. 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 IIFL Capital. 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 IIFL Capital had to clear its obligations to the Exchange as per the time limits set by the Exchanges. IIFL Capital 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 IIFL Capital from time to time.

## **5. RIGHT TO SELL CLIENTS SECURITIES OR CLOSE CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT ON ACCOUNT OF NON PAYMENT OF DUES. (LIMITED TO SETTLEMENT/MARGIN OBLIGATIONS)**

As a part of its Risk Management System, IIFL Capital shall have the sole discretion to square off the open position of the Client and/ or sell clients' securities (including securities maintained as margin with IIFL Capital and securities lying in client's beneficiary/ demat account) in case the client fails to meet its settlement/margin obligations in time. The specific securities to be sold and the positions to be squared off shall be decided solely by IIFL Capital. Further, the square off of client's open position or the selling of securities may be executed on best effort basis on such Exchanges and at such price as may be decided by IIFL Capital. IIFL Capital shall have no obligation of communicating the same to the Client. IIFL Capital shall not be responsible for any losses, delays, brokerage, other charges, margin shortfall penalties etc. incurred by the client due to such squaring off of the open position of the client. IIFL Capital reserves the right to square off client's open positions or sell clients' securities under following circumstances:

**A.** Where the limits given to the Client have been breached inter-alia;

**i) Block and sell** – In case of Non broker margin funding clients, at the end of the day clients are required to maintain

minimum 25% margin (subject to changes) in approved category of stocks as per IIFL Capital. Client needs to pay 100% margin for unapproved category of stocks as per IIFL Capital scrip categorization and haircut policy

For broker margin funding clients, at the end of the day clients are required to maintain minimum margin and MTM loss requirement on funded stocks as prescribed by the exchange from time to time.

Failing to above, clients will be marked in block and sell category and clients need to provide shortfall margin before 8.30 am of next trading session to avoid risk selling by RMS. Block and sell clients are kept in square off mode till the time RMS liquidation process completed. Normally, RMS liquidates positions on best effort basis between 9.15 am to 9.45 am or such other time at its desecration. The square off mode gets removed after entire process gets completed. The securities would be liquidated proportionately.

- ii) **T+6 Settlement** - Clients need to settle pending dues and unpaid securities on or before 6th day of purchases either by way of pay-in or selling the holdings. In case of failure of settlement by client IIFL Capital RMS will liquidate unpaid securities and unsettled amount as per T+6. In liquidation process, first Unpaid securities gets liquidated on FIFO basis and thereafter other securities get liquidated proportionately from each securities to recover any pending amount as per T+6. Unclear cheque is not considered on T+6 day as settlement. The same process is not applicable where the client has agreed to comply with different debit ageing criteria i.e. Weekly, Monthly (30 days) and Quarterly (90 days), accordingly the clients agrees that the liquidation will happen before completion of T+6.
- iii) **Intraday Trades (All segment)/ Cover & Bracket orders**-All open positions of the client marked as intraday trades/ Cover & Bracket orders, are compulsorily squared off on best effort basis before end of the day irrespective of profit or loss making positions. The out of the money options contracts in derivative segment will not be square-off after 3.15 pm on the expiry day. For any reasons positions remains open, the client is liable for the delivery settlement / carry forward positions and also needs to make payment of required margin before end of day. IIFL Capital shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.

**B.** Where the Client has defaulted on their existing obligation and / or have failed to make payments / deliver securities to IIFL Capital within the stipulated time period as may be prescribed by IIFL Capital.

**C. In addition to above, in case of equity and currency derivatives transactions,**

- i) where the margin or security placed by the Client with IIFL Capital falls short of the applicable minimum margin as may be required to be maintained by the client;
- ii) Where Mark to Market Loss on the open position has reached the stipulated % of the margins placed with IIFL Capital and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss;
- iii) If the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time.
- iv) Physical settlement in derivative segment
  - a. All open positions in stock future and options are liable for compulsory physically settled. On the expiry day after 2.00 pm IIFL Capital do square off in these contracts
  - b. Out of money option contracts are not liable for the physical settlement hence these contracts are not squared off by IIFL Capital on the expiry day at 2.30 pm. IIFL Capital shall not be responsible if any contracts convert to "In the money "from" out of money" after 2.30 pm.
  - c. The netted off positions before doing square off is calculated as per below table. The positions netted of with the options writing positions are having risk of physical settlement as buyer of the CALL options has right (but not obligation) to buy the shares at the strike price before or on the expiry date and buyer of the PUT options has right (but not obligation) to sell the shares at the

Position	Position
FUTURE BUY	ITM PUT BUY
FUTURE BUY	ITM CALL SELL
FUTURE SELL	ITM PUT SELL
FUTURE SELL	ITM CALL BUY
ITM CALL BUY	ITM PUT BUY
ITM CALL SELL	ITM PUT SELL

ITM CALL SELL	Holding Available in client DP
ITM PUT BUY	Holding Available in client DP
FUTURE SELL	Holding Available in client DP

- d. For any reasons positions remain open is liable for the delivery settlement positions. Client needs to make payment of required margin before end of day, delivery of shares towards payin obligation, payin of funds on T+2. IIFL Capital shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.
- e. On the monthly Expiry day RMS will square off ITM (In the money) options & future stock contract to avoid any physical delivery settlement by End of Day (EOD), however for stock option contract square offs shall include two (2) strike price on the upper or lower side of the ITM contract to avoid any volatility risk.

**D. In case of commodity derivatives transactions,**

1. Clients having open positions in compulsory deliverable contracts must be squared off before the start of tender / delivery period i.e. 5 days prior to expiry date. Further, new positions will not be allowed during tender / delivery period of 5 days.
2. In case client wishes to opt for delivery based settlement for any commodity, consent should be given for the same to the Relationship Manager either in writing or through its registered email. In such cases, buyer needs to ensure that funds worth full contract value of the deliverable quantity are lying in its ledger to meet the obligations. The Seller who intends to give delivery needs to ensure that the physical commodity is made available and the same is reflected in the COMRIS / COMTRACK / NERL account before the Tender period begins.
3. Clients having positions where contracts are either cash settled or settled at due date rate (DDR) must be squared on or before expiry of the contract.

IIFL Capital reserves the right to square off the open position of client and/ or sell client's securities under the prescribed circumstances; however IIFL Capital is not obligated and does not guarantee to square off the open positions and/ or sell client's securities. The client shall be solely responsible for the trading decisions taken by the client. It shall be the responsibility of the client to make payments towards outstanding obligations and/ or applicable margins to IIFL Capital in time irrespective of whether IIFL Capital exercises its right to square off the positions of the client in accordance with the provisions given herein above.

Client shall be solely responsible for any resultant losses incurred to client due to selling of client's securities by IIFL Capital or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the CLIENT and IIFL Capital shall be fully indemnified and held harmless by the CLIENT in this behalf.

The CLIENT accepts to comply with IIFL Capital's requirement of payment of Margin/ settlement obligations of the Client, immediately failing which IIFL Capital may sell, dispose, transfer or deal in any other manner the securities already placed with it as Margin/lying in the beneficiary account of IIFL Capital or square-off all or some of the outstanding F&O positions of the CLIENT as it deems fit at its sole discretion without further reference to the CLIENT and any resultant or associated losses that may occur due to such square-off/ sale shall be borne by the CLIENT and IIFL Capital shall be fully indemnified and held harmless by the CLIENT in this behalf at all times

**Physical delivery and cash settled contracts in commodity segment** - IIFL Capital shall square off Cash settled contracts on the expiry day (subject to changes) and physically settled contracts before 5 working days of expiry date. For any reasons positions remains open, the client is liable for the delivery settlement positions including delivery of commodity towards pay-in obligation, pay-in of funds and needs to make payment of required margin before the end of the day. IIFL Capital shall not be hold responsible for any losses, brokerage, other charges, margin shortfall penalties etc.

- E. 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. IIFL Capital 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 would be liquidated once mark to market loss reaches 80% of the client net-worth available in trading account or even earlier at the sole discretion of IIFL Capital without due intimation to clients. .

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

In case the client defaults on its existing obligation which results in delivery shortage to the Exchange, the same shall be compulsory

auctioned as per defined Exchange procedures from time to time. However, in case the client defaults on its existing obligation and in the event the trade has been internally netted off at IIFL Capital, there could be internal shortages. The client agrees to the laid down policy and procedure followed for handling shortages arising out of internal netting of trades, as mentioned herein below

1. The internal shortages will be marked against the client randomly at the sole discretion of IIFL Capital taking into account the delivery obligations through Exchanges
2. In all such transaction identified as internal shortages, the defaulting selling client would be debited in ledger as per the price calculated at Higher of closing price on T' day as per Daily Bhav Copy (NSE Bhav Copy will be referred first over BSE) + 5% penal charges. Simultaneously, the buyer who was eligible to receive shares on T+1'day would be credited in the ledger with the same amount charged to the defaulting selling client.
3. The internal close out policy for handling internal shortages in Commodities is in line with the exchange policy for handling shortages at exchange level. Apart from this the seller will be additionally debited by 1% penalty. Thus, the buyer will get the credit of the shortage based on the calculation given by exchanges and the Seller will be debited by the same amount + 1% penalty.
4. The defaulting client and corresponding buying clients will not have any claim for Profit/ Loss against IIFL Capital. IIFL Capital shall not be responsible for such losses to the clients on account of such shortages. All losses to the client on this account shall be borne solely by the client and the Client shall indemnify IIFL Capital in this respect.

For all cases of shortages i.e. market or internal, in case client has executed a sale transaction in subsequent settlement on or before the receipt of pay-out for buy transaction in the same scrip, the client needs to ensure the availability of securities through SLBM and/or otherwise in his demat account to meet pay-in obligation for his sale transaction. Further, in exceptional circumstances like DVP, technical issues at depositories / clearing corporation etc. or such other issue affecting the normal functioning /operations in the opinion of IIFL Capital impacting substantial no. of clients and in such cases the client defaults on its existing obligation wherein the trade has been internally netted off at IIFL Capital, there could be internal shortages. In such cases of delivery failure, the client marked for internal netting of trade, the same shall be met through fresh market purchases. The defaulting client will not be eligible for any profit on account of this

IIFL Capital shall not be responsible for losses to the Client on account of such shortages. Any losses to the client on this account shall be borne solely by the respective client. It may be noted that with the implementation of the NCL Circular No. NCL/CMPT/63669 dated: Aug 30th, 2024 & ICCL Circular No. 20240902-8 dated: Sep 02nd, 2024, internal auction mechanism of clearing corporation will be used for handling internal Shortages.

#### **7. 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, IIFL Capital 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
  - g. Any other conditions as may be specified by IIFL Capital 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 IIFL Capital
- IIFL Capital shall not be responsible for any loss incurred and the client shall indemnify IIFL capital in this regard.

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

IIFL Capital 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. IIFL Capital 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 IIFL Capital 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.

## **9. DEREGISTRATION OF A CLIENT**

Deregistration of the client/ Termination shall be at the sole discretion of IIFL Capital may deregister the client if the client breaches the terms and conditions of the member-client agreement or provides any false information or declarations. Further IIFL Capital may deregister the client if the client is suspected to be involved in any activities in violation of applicable Rules and Regulations. Further the client may be deregistered due to any Regulatory directive, market conditions and other internal policies of IIFL Capital including policy with respect to prevention of money laundering. Such deregistration/termination shall not effect the rights and liabilities of the parties in respect of the transactions executed before the date of such deregistration/ termination.

## **10. 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 **two year**. Such inactive account will be blocked for further transactions by the 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 IIFL Capital Capital Services Limited; 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 IIFL Capital Capital Services Limited in client's account, IIFL Capital 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 IIFL Capital to the client's account.

## **11. POLICY FOR VOLUNTARY FREEZING/BLOCKING THE ONLINE ACCESS OF THE TRADING ACCOUNT TO CLIENTS**

### **INTRODUCTION**

As per the framework defined by SEBI vide its circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and guidelines issued by the Stock Exchanges for providing a facility of voluntary freezing/blocking online access of the trading accounts by the Trading members to their clients, the Company has provided a facility to its customers to request for voluntary freezing/blocking of the online access of the trading account through permissible modes of communication. On successful due diligence carried out by the Company and after cancellation of pending orders, online access to trading account shall be blocked within regulatory specified timelines. Further, a facility to unfreeze/unblock is also provided to customers. Detailed process is as below:

### **1. Voluntary freezing/ blocking the online access of the trading account**

Client may request for voluntary freezing/ blocking the online access of trading account through below modes if any suspicious activity is observed:

- a) Call on dedicated telephone number i.e. **022-40071000** from mobile number registered with IIFL Capital Services Limited.
- b) Dropping mail to **stoptrade@iifl.com** from E-mail ID registered with IIFL Capital Services Limited.

Freezing/Blocking request will not be accepted on any other mode unless communicated to the client.

Account freezing/blocking request will be validated and then the account would be frozen/blocked within the regulatory specified timelines. All Pending Orders will be cancelled. Open Positions will not be closed. MF and IPO orders will be processed.

Post freezing/blocking the client's trading account, an intimation on the registered mobile number and registered e-mail ID of the client will be sent, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled. The process of re-enablement for getting the online access to the trading account will also be sent.

Details of open positions (if any) will be communicated to the client along with contract expiry information within regulatory specified timelines.

Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member of liquidating positions or shares wherever required as per the Risk Management policy.

## 2. Unfreezing / unblocking the online access of the trading account:

Client whose online access of trading account is blocked, may request for unfreezing/ unblocking the online access of trading account through below modes::

- a) Call on dedicated telephone number i.e. **022-40071000** from mobile number registered with IIFL Capital Services Limited.
- b) Dropping a mail to [cs@iiflcapital.com](mailto:cs@iiflcapital.com) from E-mail ID registered with IIFL Capital Services Limited.

The account will be inaccessible till the time it is un-freeze/un-blocked through a request from client's end. The un-freeze request shall be validated and then the account will be un-freeze/un- blocked.

## 12. POLICY ON HANDLING OF GOOD TILL CANCELLED ORDERS OF CLIENT

### Concept of GTT (Good-till Triggered) orders

Good - Till Triggered (GTT) orders basically are price alert based order placement or trigger based orders. Only when a pre-set trigger (entry price) is breached, then the order is placed with exchange as per the limit price set by you to execute the order. In case the pre-set trigger (entry price) is breached during a particular day and the limit price selected is not exactly met on the same day, all such orders will be cancelled at the end of such trading day session.

This type of order is valid for **All Equity Cash and Equity F&O scrips, be valid for 365 days from the date of creation or till the expiration date of the contract whichever is minimum.** The trigger set is valid only once, so if the order is placed at the exchange and not executed for any reason, the GTT has to be placed again by the user.

GTT can be used only for Delivery and BNPL type orders in the NSE Cash segment & Delivery type orders in the BSE Cash and NSE Derivatives segment.

If the Last Traded Price (LTP) of a scrip jumps higher than the pre-set price selected, or if the LTP opens at a gap up or gap down breaching the selected pre-set price, an order would be placed at the selected limit price.

### Types of GTT:

1. **Single** – Only 1 entry price would be sent along with Price and Quantity to the GTT engine
2. **One Cancels Other (OCO)** – 2 entry prices would be sent to the engine. When any one of the trigger/entry prices is triggered, another trigger is automatically cancelled.

### Terms of Use of GTT Order facility

When you place a GTT order, you are deemed to have read and understood the terms and conditions of its use as appended below or as may be amended from time to time and agreed to abide by the same strictly. All GTT orders shall conform to and be liable to the Bye-laws, Rules and Regulations of the Exchange and the guidelines of the regulatory authority and be subject to the Rights and Obligations, the risks set out in the Risk Disclosure Documents and all the other terms and conditions relating to securities transactions forming part of the KYC documents executed by you.

1. You will be able to select only limit orders as GTT orders.
2. GTT can be used only for Delivery and BNPL type orders in the NSE Cash segment & Delivery type orders in the BSE Cash and NSE Derivatives segment.
3. At any point in time, you can only have a maximum of 50 GTT Orders.  
GTT Orders may not be allowed, may be rejected or cancelled, or not executed even if pre-set trigger condition is met in the below mentioned market timings/conditions:
4. If the entry price is met or breached, but the order sent to the Exchange does not meet the Order price (limit price) during the day's trading session, the GTT order is cancelled and removed from the GTT Order queue.

- i. If the entry price is met or breached, but the order sent to the Exchange does not meet the Order price (limit price) during the day's trading session, the GTT order is cancelled and removed from the GTT Order queue.
- ii. All GTT orders that do not meet the entry price in 365 days shall be cancelled. 365 days shall be counted as consecutive calendar days from the date of placing the orders.
- iii. In case there is a change in exchange series or any corporate actions, such as; splits, bonuses, dividends, merger, reverse mergers, amalgamations, takeover, delisting, rights issue, etc. where there is a significant impact/change in the scrip price, the GTT will be cancelled at the sole discretion of IIFL Capital one day prior to the ex-date of such corporate action effect taking place on the stock price. Details of upcoming corporate actions applicable for such unexecuted orders will be intimated to you by one day prior to the ex-date of the corporate action.
- iv. If the entry price is met, but the Order price (limit price) is outside the circuit limits of the particular scrip, the GTT orders will be cancelled.
- v. A GTT order which is triggered but not executed at the Exchange for any reason shall be cancelled.
- vi. GTT orders placed for any scrip/contract not allowed for trading by IIFL Capital shall be rejected.
- vii. In case you have not furnished a PoA/DDPI or the PoA/DDPI is invalid/inactive, or in case of T-PIN, its validity has expired, a GTT order for sale of securities held in your Demat A/c will be cancelled.
- viii. You have the option of cancelling the GTT orders at any time before execution, without furnishing any reason.
- ix. All GTT Orders which have met the pre-set trigger conditions but not executed for any reason, or are cancelled otherwise, shall have to be placed again, if desired to be executed.
- x. GTT Orders for derivative contracts are valid only during their contract period. Pending GTT Orders for derivatives will be removed at the expiry of the respective contract period.
- xi. GTT orders will be triggered only based on the live last traded price it is tracking on the exchange.
- xii. Against all GTT orders pending to be triggered, you are required to maintain sufficient cash balance and/or sufficient quantity of holdings of the respective scrip and/or margin such that the GTT orders are placed for execution if and when the entry price is reached or breached.
- xiii. GTT orders will be allowed to be placed only through client logins via mobile app and web channel.
- xiv. IFL shall not be responsible for any financial loss that you may incur in your securities transaction using the GTT order facility and makes no representations, assurances or warranties as to any profits or other gains to be had from the use of GTT orders. IIFL Capital accepts no responsibility for non-execution of the GTT orders for any reason whatsoever, their cancellation or for any loss of opportunity to utilize the margins held against pending GTT orders in alternate investment options. IIFL Capital does not make, nor shall be deemed to have made, any representations or warranties of any kind, either express or implied, including but not limited to, representations or warranties as to the suitability or fitness of GTT order facility for your particular investment or trading needs, risk appetite, or financial conditions.
- xv. IIFL Capital reserves the right to modify the terms and conditions of GTT at any time without prior notice to you and any GTT order that you may place shall be governed by the prevailing terms and conditions. You shall familiarize yourself with the terms and conditions as are applicable to the GTT orders from time to time.

### **Charges for Usage of GTT Feature type**

No additional charges will be levied for the usage of GTTs. Existing brokerage will apply to the order once the GTT is triggered.

This pricing is subject to change at the sole discretion of IIFL Capital without prior notice to you.

### **Risks, Non execution & Applicable law**

This GTT order does not assure execution of an order and includes/involves all risks with respect to Internet Based Trading, and risks with respect to trading in the Capital Markets segments will be extend to trading using the GTT orders as well.

Please make sure to once again read and understand the terms, conditions and points under the Equity Annexure & Risk Disclosure Document, which you have already agreed to while opening your trading account with IIFL Capital



### 13. LIEN

All monies, securities and/ or other property in the Bank/ DP Account or that may be held by the Stock Broker on the client's account shall be held at the sole risk and cost of the client and subject to a lien for the discharge of any and all indebtedness or any other obligation that the Client may have to Stock Broker, irrespective of whether such obligation of the client is disputed by the client. All of the Client's securities and/ or other property shall be held by Stock Broker as security for the payment of any such obligation or indebtedness to Stock Broker.

In enforcing its lien, Stock Broker at its sole discretion may determine which securities and/ or other property are to be sold or which contracts are to be enforced.

### 14. PAYMENT

#### 14.1 Time of Payment

14.1.1 The Client shall make all remittances to Stock Broker (i.e. payment for all purchase transactions plus taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker) by the value date for each transaction. The value date for all purchases will be the pay-in day less two days, where the pay-in day is specified by the Exchange Clearing House for the relevant settlement period. Provided that subject to Clause 6.1.4 a notional debit may be made with respect to the Limit on the last day of the Settlement Cycle, notwithstanding that actual payment is due on a later date and such notional debit shall be reversed on receipt of payment.

14.1.2 The Client will also have to make a margin payment for shares purchased and sold either for square-off or delivery or on derivative contracts. The amount will be as charged by the relevant Exchange. However, in case the Exchange charges a margin amount over and above the normal margins, Stock Broker can make a margin call to the Client who will need to have to pay the relevant margin as charged by the Exchange.

14.1.3 Stock Broker shall remit funds to the Client (i.e. payment for all sale transactions less taxes, brokerage, handling charges and depository related fees and transaction fees of Stock Broker), less any amounts deducted for shortages by the value date. The value date for all sales will be pay-out day plus two days where the pay-out day is specified by the Exchange Clearing House for the relevant settlement period.

14.1.4 In the event of the Client having made both sales and purchases during a Settlement Cycle on the same Stock Exchange, the amount due from and to the Client shall be netted off and only the difference shall be payable by or to the Client. A notional debit or credit as the case may be, may be made to the Limit at the end of day until the actual payment is made.

#### 14.2 Mode of Payment

No cash payment will be received from/ made to the client as per the extract SEBI/ Exchange/ Income Tax/ PMLA Regulation, Guidelines, Circulars, etc. Accordingly IIFL Capital will not be responsible for any claim of receipt/ payment in cash by client from/ to IIFL Capital. In the case of a purchase transaction, the Client shall remit funds within the time period provided in subclause 6.1.1 above to Stock Broker in any of following ways:-

14.2.1 Acceptable credit or debit card, provided Stock Broker has agreed to receipt of payment in this manner, or

14.2.2 Authorized electronic transfer of funds from Client's Bank Account to Stock Broker's bank account in the same Designated Bank; or

14.2.3 Demand draft in favour of "IIFL Capital Services Limited – (Client's Login id) or account payee crossed cheques drawn on designated bank or any other bank with which the Client maintains a regular account, proof of which is provided at the time of payment. In the case of sub-clauses (1) and

(2) credit will be given to the Client immediately on authentication of payment authorization, however Client has to intimate Stock Broker immediately after making payment through option as mentioned in subclauses (1) and (2). In the case of (3) credit will be given only on receipt of clear funds.

14.2.4 Payment referred to in sub-clauses (1), (2) & (3) shall be accepted only from Client's account.

14.2.5 Payment shall be made by the Client only as referred to in sub-clauses (1), (2) & (3) above. Stock Broker shall not accept/ acknowledge/ give credit for any payment made in cash.

14.2.6 The client agrees to pay Rs.500/- to Stockbroker in case if the cheque deposited by client is bounced/ uncleared/rejected due to any reason.

The same shall be deducted from the client's ledger account held with the Stockbroker.

14.3 In the case of a sale transaction, Stock Broker shall remit funds to the Client within the time period provided in subclause 6.1.3 above, provided the Client has delivered the securities sold to Stock Broker within the time prescribed in clause 8.1.1, in any of the following ways as may be requested by the Client:

- 14.3.1 Electronic transfer of funds into the Bank Account of the Client opened with the Designated Bank.
- 14.3.2 Electronic transfer of funds into any other bank account of the Client as may be specified by the Client, and accepted by Stock Broker; or
- 14.3.3 Account payee cheque.
- 14.3.4 All payments shall be made only in the name of the client.
- 14.4 Please note that the mode of payment should be only by way of account payee crossed cheques or Demand draft in favour of "IIFL Capital Service Limited (Client's Login id). No cash receipts payments will be entertained for any transactions made by the client. IIFL capital will not be responsible for any kind of claims raised by the clients regarding payment made in cash. Mobile number is compulsory for opening of Demat/ Trading account with IIFL Capital.
- 14.5 Interface with a payment gateway will be offered to the Client at the portal itself.
- 14.6 **DEFAULT IN PAYMENT:** The Client agrees that Stock Broker may set off his/ her credit balances on NSE, BSE, MCX and NCDEX hereinafter referred to as the "Exchanges" against the debit balances in one or more accounts of the Client in relation to the said Exchanges and segments of the Exchanges.
- Without prejudice to the Stock Broker's other rights (including the right to refer a matter to arbitration), Stock Broker shall be entitled to liquidate/ close out all or any of the Client's positions in cash segment or derivative segment on any Exchange for nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/ close out, if any, against the Client's liabilities/ obligations. Any and all losses and financial charges on account of such liquidation/ closing-out shall be charged to and borne by the Client.
- On a default by the Client to remit any monies payable to Stock Broker, Stock Broker shall be entitled to appropriate the monies maintained by the Client in the Minimum Margin Deposit towards its dues. The Minimum Margin Deposit with Stock Broker shall be subject to a lien for the discharge of any and all indebtedness or any other obligation that the Client may have to Stock Broker. The Ebroking Services shall be suspended to the Client until such time as the Client replenishes funds adequate to maintain the Minimum Margin Deposit at the stipulated level.
- Not with standing anything contained in these present, any amounts which are overdue from the Client towards trading either in the cash or derivative segments or on account of any other reason the Client will be charged delayed payment charges at the rate of 2% per month or such other rate as may be determined by the Stock Broker.
- The Client hereby authorises the Stock Broker to directly debit the same to the account of the Client.
- 14.7 In the event the client makes the specific request to the stockbroker for the physical documents instead of electronic/digitally signed documents including contract notes/ statement of accounts, etc and subject to the stockbroker being in a position to do so; the client agrees to pay all such amounts that the stockbroker may charge to cover the operational cost that the stockbroker incurs in preparing and delivering the said communications, documents, reports and alerts.
- 14.8 The Client hereby agrees and understands that in case of any noncompliance and/ or default by the Client such as cheque bouncing, trade change, F&O short margin, UCC violation, price rigging or for any other matters as may be decided by Stock broker from time to time, without prejudice to the Stock Broker's other rights, Stock Broker may levy charges/ penalty(ies) on the Client and debit such charges/ penalty in the Client's account.
- 14.9 The Client authorizes the Stock Broker to use his discretion to buy, sell or close out any part or all of the contracts held in the Clients account with the Stock Broker for the protection of the Stock Broker, in case of any default by the Client. The Client agrees to reimburse any or all such incidental expenses incurred by the Stock Broker.

All the above policies and procedures of IIFL Capital as applicable to the client's trading account are subject to change/ updation by IIFL Capital from time to time. The updated policies and procedures of IIFL Capital shall be posted on the website of IIFL Capital [www.iiflcapital.com](http://www.iiflcapital.com) and communicated to client through Circulars and e-mails.