

## **KEY STANDARD POLICIES, PROCEDURES AND PRACTICES**

### ✓ **ORDER EXECUTION & TRADING RESTRICTIONS**

All purchases and sales of securities shall be executed at prices that are fair and reasonable in light of all circumstances and relevant factors that normally affect the price at which such securities are traded. Credit Suisse Securities (India) Private Limited ('CSSIPL') shall endeavor to handle client orders fairly, in the order in which they are received and in accordance with the instructions of the clients.

Orders entered into the trading system by CSSIPL are subject to various validation requirements as specified by the stock exchanges from time to time including trading parameters, turnover limits, exposure limits and/or other restrictions. Orders that do not meet the validation checks shall not be accepted by CSSIPL. Orders executed on behalf of clients shall be promptly allocated to the clients accounts on whose behalf the transactions were executed in the market.

Trading liquidity refers to the ease with which you can buy or sell a stock at or near the current market price. Typically stocks which are thinly traded have a wide bid-ask spread driving the prices of such stocks significantly up or down. Presently, CSSIPL has classified stocks trading at less than Rs. 5.00 on both exchanges and illiquid stocks as notified by the exchanges on a monthly basis as penny stocks. CSSIPL reserves the right to refuse to accept client orders in such stocks. Further, if accepted, in addition to other conditions, CSSIPL may require the client to place the entire pay-in obligation (funds / securities) with CSSIPL prior to executing client orders in such stocks.

### ✓ **"FIT & PROPER" CRITERIA FOR DEALING IN STOCKS OF STOCK EXCHANGE / CLEARING CORPORATION IN INDIAN STOCK EXCHANGES**

In accordance with the regulatory requirements prescribed by Securities and Exchange Board of India and Stock Exchanges from time to time, the shareholders of a listed stock exchange and listed depository are required to satisfy the Fit and Proper criteria as defined in Regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2018 (SCCR) and Schedule II of the SEBI (Intermediaries) Regulations, 2008 respectively. Additionally, please also take note of the requirements prescribed vide Regulation 19 of SCCR and Regulations 21 & 22 of SEBI (Depositories and Participants) Regulations, 2018 which applies to shareholders of listed stock exchanges and listed depositories respectively.

### ✓ **BROKERAGE**

CSSIPL shall levy brokerage on client transactions at such rates as mutually agreed by the client and CSSIPL from time to time and within limits as prescribed by SEBI and Stock Exchanges from time to time.

### ✓ **PAY-IN / PAY-OUT OF FUNDS AND SECURITIES**

CSSIPL shall accept pay-in of funds / securities from client's account only. Similarly payout of funds / securities shall be made by CSSIPL only to client's accounts.

✓ **CLIENT MARGINS AND EXPOSURE LIMITS (as applicable)**

Capital Market Segment

As per the regulatory requirement VAR and ELM margins shall be payable upfront by the client (non-institution and certain marginable FPI clients) to Custodian/Trading Member as the case may be. Further all other margins as may be applicable to client shall be collected within 2 working days from the trade date.

Derivative Segment

As per the regulatory provisions and in accordance with risk management policy adopted by CSSIPL, exposure limits in the derivatives segment shall be based on the margins collected from the clients in respect of trades executed by such clients in the derivatives segment.

Form of Margin:

- Presently CSSIPL accepts margins in the form of cash only.
- CSSIPL at its absolute discretion (but not obliged) may accept margin deposit in any other form as prescribed by the Exchange from time to time.

Margin Utilization:

The margins received from the clients shall be appropriated towards initial margin and mark to market account and adjusted in accordance with the position of the clients from time to time.

In accordance with its risk management policy, CSSIPL at its absolute discretion considering the volatility of the market, exceptional circumstances such as unfavourable news in stocks where the client has adverse position, etc may revise the above appropriation limits without intimation to the client and call for additional margins. The client shall be obliged to provide such additional margin within the stipulated time prescribed along with such call for additional margin, failing which CSSIPL shall be entitled to liquidate /close out all or any of the client's position for non-payment of margins or other lawful amounts, lawful outstanding dues etc and adjust the proceeds of such liquidation / close out against the clients liabilities / trade obligations.

Additional Margin:

CSSIPL reserves the right to call for additional margins in accordance with its risk management policy. It is the client's responsibility to ensure availability of any additional margin before market closes and on exceptional circumstances by T+1 basis. If at any time, the MTM loss exceeds the 10% of the deposit, client shall be obliged to provide additional margin on T+1 basis.

Segregation and Monitoring of Collateral at Client Level (refer Annex B - Procedures)

As part of the framework for 'Segregation and Monitoring of Collateral at client level' notified vide SEBI circular dated July 20, 2021 and with a view to provide clients visibility of client level collateral, Clearing Corporations ('CC') have provided a web portal facility to enable clients to view/verify/validate details of collateral reported by their respective stock broker. In order to avail the benefit of the above facility, you can register on CC's web portal to view and verify the collateral reported by CSSIPL on your behalf. Please refer to the attached pdf for procedure to register and view details of collateral reported. Please note that the collateral details reported by CSSIPL would be available for viewing on the portal post IST 5:00 PM on next working day. You can view the collateral details reported for the previous five days only. In case of any discrepancy please contact [list.indiaops@credit-suisse.com](mailto:list.indiaops@credit-suisse.com)

**Client Default**1. Capital Market Segment :

Close out in case of default in settlement of funds by the client :

If a client fails to make payment of consideration to CSSIPL in respect of any one or more securities purchased by him before the pay- in date notified by the exchange from time to time, CSSIPL shall be, without any prior notice, at liberty to sell the securities received in pay-out, in proportion to the amount not received, after taking into account any amount lying to the credit of the client, by selling equivalent securities at any time on the exchange. The loss, if any, on account of the close out shall be to the account of the defaulting client.

Close out in case of default in settlement of Securities by the client :

If a Client fails to deliver any one or more securities to the pool account of CSSIPL in respect of the securities sold by him before the pay- in date notified by the Exchange from time to time, such undischarged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close-out price, as may be debited to CSSIPL in respect of the security for the respective settlement, to the client who has failed to deliver.

In case of internal shortages, CSSIPL shall attempt to purchase the undischarged obligation from the market and transfer shares to the buying client on receipt of pay-out of such shares from the exchange. Fines / penalties / charges on account of internal shortage shall be levied to the account of the defaulting client. In case CSSIPL is unable to obtain the required shares due to adverse market conditions, then such undischarged obligation shall be closed out at the close-out price. The loss, if any, on account of the close out shall be to the account of the defaulting client

Subject to what is stated above, no further claims shall lie between the Client and CSSIPL.

2. Derivative Segment :

In case of non-payment of margin / daily settlement by the client within the stipulated time, CSSIPL shall be at liberty to close out, without prior notice, the client positions, by selling or buying the derivatives contracts, as the case may be, unless the client already has an equivalent credit with CSSIPL. The loss incurred in this regard, if any, shall be accounted to the defaulting client.

In case of open purchase position undertaken on behalf of clients, CSSIPL shall be at liberty, without prior notice, to close out transactions by selling derivatives contracts, in case the client fails to meet the obligations in respect of the open position within next trading day, unless the client already has an equivalent credit with CSSIPL. The loss incurred in this regard, if any, shall be accounted to the defaulting client.

In case of open sale position undertaken on behalf of the clients, CSSIPL shall be at liberty to close out, without prior notice, transactions by effecting purchases of derivatives contracts if the client fails to meet the obligation in respect of the open position within next trading day, unless the client already has an equivalent credit with CSSIPL. The loss incurred in this regard, if any, shall be accounted to the defaulting client.

Subject to the above, no further claims shall lie between the Client and CSSIPL.

In all the above circumstances the client shall not be permitted to take further position till such time as the client clears pay-in / margin obligations. Additionally the client shall also be not be permitted from taking further positions if restricted by regulatory authorities, in accordance with risk management policy adopted by CSSIPL and similar other circumstances as may arise from time to time.

✓ **Dormant Accounts / Inactive Accounts (Non-Custody Settled clients) :**

“Client accounts that have not experienced any transactions for at least 12 months across all exchanges shall be regarded as dormant/Inactive accounts unless assessed otherwise and shall be flagged as ‘Inactive’ in UCC database of all the respective Exchanges. Reactivation of such accounts shall be undertaken only after providing the required updated documentation

✓ **Closure of client account / Deregistering a client :**

The client may, at any time, request CSSIPL in writing to close its account. CSSIPL shall then initiate the process of closure of client account. Also, client accounts lying dormant for more than 36 months shall be closed and the client shall be deregistered unless assessed otherwise. Funds and securities, if any, held by CSSIPL on behalf of such clients shall be settled after adjusting outstanding obligations, if any. Reactivation of such accounts shall not be undertaken without undergoing the client on-boarding process.

✓ **Investor Grievance :**

The designated email id for grievance redressal (per SEBI circular MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006) is [list.igcellstockbroking@credit-suisse.com](mailto:list.igcellstockbroking@credit-suisse.com)

✓ **Issue of Caution letters based on abnormal/unusual trading pattern of brokers/ clients**

With a view to identify and alert the market participants viz., trading members and their clients, at an early stage about unusual/abnormal activity, NSE & BSE have decided jointly with SEBI to issue observation/caution letters to the members/clients where prima facie, unusual/abnormal activities are observed by the stock exchanges. Kindly take note of the objective of this initiative and in case of receipt of such observation/caution letter from the stock exchange(s) please take appropriate measures/actions on priority to address the issue(s) brought to your attention. For more details also refer to NSE circular reference number NSE/INVG/20934 dated June 5, 2012 and BSE circular reference number 20120605-30 dated June 05, 2012.