

## **-: Restricted scrip Policy - ZUARI INVESTMENTS LTD :-**

### **Refusal of orders for penny / illiquid stock**

ZUARI INVESTMENT LTD shall have the absolute discretion, from time to time, to refuse/partially refuse/accept orders in one or more securities due to various reasons including trading in penny stocks, market liquidity, value of security(ies), illiquid options, far month options, writing of options, market capitalization of the stock and such stock not in demat form, suspicious stocks, restricted stock, securities which are not in the permitted list of the Stock Broker / exchange(s) / SEBI and/or appear under illiquid securities declared by the exchange(s). It is also provided further that Stock Broker may ask for compulsory settlement / advance payment of expected settlement value/delivery of securities for settlement prior to acceptance / placement of order(s) as well. Losses, if any, on account of such refusal by the Stock Broker or due to delay caused by such limits, shall be borne exclusively by the client alone. The Stock Broker shall not be responsible for any financial or other implications due to such execution, delay in execution or non-execution of any such orders.

The Stock Broker shall have the prerogative to place such restrictions, notwithstanding that the client has sufficient credit or margin available in his account.

The Stock Broker, may however, allow for acceptance of such orders, for certain securities on its own discretion, through its specific internal process, instead of allowing such orders through the standard process like online trading platform or its branches

### **Restricted Scrips**

In order to exercise additional due diligence while trading in these securities **ZIL** shall from time to time classify and publish a list of securities which are illiquid as per the list of illiquid securities on a periodic basis by the Stock Exchanges concerned and/or based on such internal criteria as **ZIL** may deem fit. Together it would be termed as "Restricted Scrip"

**ZIL** reserves the right to refuse execution of any transaction requests of the client on such restricted securities or to reduce the open market interests of the client in such securities **ZIL** also reserves the right not to allow any trades or transactions in respect of certain securities or segments or orders/requests which may be below/above certain value/quantity as may be decided by **ZIL** from time to time.

Criteria have been decided based on the Investment Limit at a client level in allowing trading in restricted scrip:

1. Investments less than or equal to Rs. 0.50 lac per scrip per day **ZIL** may allow the dealing in restricted scrip, subject to following:
  - a. The trading turnover (buying and selling) in restricted scrips shall not exceed Rs. 0.50 lac per scrip on a single day.
  - b. At any given point of time the holding of any client in restricted scrips shall not be more than Rs. 2 lacs.
  - c. The client should not trade in single restricted scrip for more than 2 days in a month
  - d. To allow dealing in such stocks (buying or selling), 100% ledger credits will be required.
  - e. Selling in restricted scrip's is permissible only if they are lying in the client's BO with ZIL DP account since 2 years and more.

### **Restricted futures/options contracts**

We are restricting/ blocking certain Future and options contracts on trading platform to avoid malpractices or erroneous trading. The Parameters on which we are restricting/ blocking such contracts are as under:-

Open interest Value in the contract is less than 25 Lacs. For future contract  $\text{Open interest} \times \text{closing prices} < 25 \text{ lacs}$ , in case of option  $\text{open interest quantity} \times (\text{strike price} + \text{closing premium price}) < 25 \text{ lacs}$ .

Or

In case of Option contracts, if strike price falls (+,-) 20 % of previous day closing price of that particular scrip in cash market.

Any contract which falls under the above parameters will be not allowed for trading on trading terminals. Such orders can be placed after due diligence.