

**POLICY ON HANDLING OF GOOD TILL CANCELLED
AND/OR GOOD TILL TRIGGERED ORDERS AND/OR
SIMILAR TYPES OF ORDERS OFFERED BY
SMIFS LIMITED TO ITS CLIENTS**

Policy Jointly Authored by:

Ms. Tamari Chatterjee
Compliance & Ethics Officer

Ms. Kathakali De
Company Secretary

Policy Approved by:

Shri Ashiwini Tripathi
Managing Director

Shri Rahul Kayan
Chief Executive Officer

Shri Sudipto Datta
Designated Director & Compliance Officer

SMIFS Limited (in short “the Company/ SMIFS/ Trading Member”) is a Company registered under the provisions of the Companies Act, 1956 with limited liabilities, having its registered office at 4, Satyajit Ray Dharani (formerly Lee Road/ O C Gangly Sarani) and registered with Securities and Exchange Board of India (in short “SEBI”) as a Stock Broker and Depository Participant, thus a Securities Market Intermediary as per the various provisions enshrined in the relevant Acts of SEBI.

SMIFS is a Trading Member of National Stock Exchange of India Limited (NSE); BSE Limited (BSE); Multi Commodity of Exchange of India Limited (MCX) and Indian Commodity Exchange Limited (ICEX) with SEBI Registration Number: INZ000220635. SMIFS is a Depository Participant of National Securities Depository Limited (NSDL) bearing DP ID – IN301629 and Central Depository Services (India) Limited (CDSL) bearing DP ID – 12016000 with SEBI Registration Number IN-DP- 414-2019. SMIFS is also registered as a Portfolio Manager with SEBI Registration Number INP000004623 and Research Analyst with SEBI Registration Number INH300001474. For the sake of brevity NSE, BSE, MCX & ICEX shall be collectively referred to as Stock Exchange(s).

SMIFS is also registered with Association of Mutual Funds of India (AMFI) with ARN Code 3060 for the distribution of Mutual Fund Units of various reputed Asset Management Companies.

The **National Stock Exchange of India Limited** (in short “NSE”) vide their Circular No. **NSE/INSP/62528 dated June 21, 2024** and **BSE Limited** (in short “BSE”) by their Circular No. **20240622-2 dated June 22, 2024** have informed their Trading Members to frame a **Policy on Handling of “Good Till Cancelled” and/or “Good Till Triggered” Orders offered by their Trading Members to Clients.**

The Stock Exchanges has elucidated that the Exchange(s) has observed that certain Trading Members offer Good Till Cancelled (in short “GTC”) and/or Good Till Triggered (in short “GTT”) Orders or “Orders of Similar Type” to their clients, that enables clients to place buying orders and/or selling orders by specifying the “price” and also the “time frame” for which “an order” would remain “valid”, for placing on the Stock Exchange Trading Platform.

The Stock Exchanges has observed the aforesaid types of “GTC and/or GTT” Orders are offered by the Trading Member(s) and the mechanism for handling such orders varies from Trading Member to Trading Member. In case of a “Corporate Action” (both Cash Corporate Action and/or Non-Cash Corporate Action), while certain Trading Members CANCEL such “GTC and/or GTT” Orders, while other Trading Members DO NOT CANCEL the same.

Thus the Stock Exchanges has enlightened and advised the Trading Members to take note that where there is a Corporate Action in the underlying Security, the “GTC and/or GTT” Orders could lead to ABSURD TRADES and INVESTORS are at RISK OF FACING HUGE MONETARY LOSSES.

Based on aforesaid inputs provided by the Stock Exchange and other practical operational experience, **SMIFS Limited** (in short “the Company/ Trading Member) has formulated the **Policy on Handling of Good Till Cancelled Orders and/or Good Till Triggered Orders and/or Similar Types of Orders (in short “Policy)** offered to their Clients for BOTH On-Line and Off-Line Modes, subject to the following enshrined attributes:

- 1) The Policy is MANDATORY in nature and forms a part and parcel of the Mandatory Policies envisaged in the “Account Opening Form” of SMIFS Limited, while registering and/or re-activating Clients. The applicability of this Mandatory Policy spans across all Non-Institutional Clients of SMIFS Limited.
- 2) The Risk Management Department of SMIFS Limited shall be responsible to monitor “Good Till Cancelled and/or Good Till Triggered Orders and/or Similar Types of Orders of Client(s)” (in short “such Orders”), which would remain “valid” on attributes of “price” and also the “time frame” on the Trading Platform of SMIFS Limited.
- 3) At the outset it is important to mention that the “GTC and/or GTT and/or Similar Types of Orders” of Client(s) can be placed on the Trading Platform of SMIFS Limited provided the applicable un-encumbered Collateral (as mandated by the Clearing Corporation) is made available by the Clients to SMIFS Limited.
- 4) As “un-executed” “GTC and/or GTT and/or Similar Types of Orders” of Client(s) are Non- Importable onto the Back Office, it is for the benefit of the Client to Notify the Risk Management Department of SMIFS Limited by an email communication to rms@smifs.com regarding the un-executed / pendency of execution of “GTC and/or GTT and/or Similar Types of Orders”, by the Client from their registered e-mail id with details of Trades along with their Unique Client Code.
- 5) The Client will be duty bound to monitor its “GTC and/or GTT and/or Similar Types of Orders” and maintain the requisite Collateral in Cash and/or Acceptable Security in the stipulated ratio, to ensure that the “GTC and/or GTT and/or Similar Types of Orders” are backed by requisite Collateral to remain Valid in the Trading Platform of SMIFS Limited.
- 6) As “GTC and/or GTT and/or Similar Types of Orders”, attract applicable Collateral as per the norms laid by the Clearing Corporation and Allocation of applicable Cash Collateral by the Trading Member from its OWN Funds (if applicable Cash Collateral is NOT provided by the Client), as per the extant minimum Cash Collateral requirement enshrined by the Clearing Corporation. Though SMIFS Limited would endeavour to provide the applicable Cash Collateral from its OWN Funds on Best Effort Basis, however the Client cannot claim the placement of “GTC and/or GTT and/or Similar Types of Orders” and the continuation of the validity of such Orders on a concurrent basis, without providing the requisite applicable Cash Collateral to SMIFS Limited.
- 7) In the event that a request for release of Collateral (both Cash and/or Security) is placed by the Client to SMIFS Limited during the Trading Hours (i.e. 9:00 AM to 4:00 PM), the Risk Management Desk would process the same taking into account the pending “GTC and/or GTT and/or Similar Types of Orders”.
- 8) In the event that a request for release of Collateral (both Cash and/or Security) is placed by the Client to SMIFS Limited during the Non - Trading Hours (i.e. other than the timings mentioned herein above), the Risk Management Desk would process the same without taking into account the pending “GTC and/or GTT and/or Similar Types of Orders”, which may lead the Cancellation and/or Rejection of the “GTC and/or GTT and/or Similar Types of Orders” in the Trading Platform of SMIFS Limited.

- 9) It is pertinent to mention that SMIFS Limited would be unable to intimate the Client regarding the Cancellation and/or Rejection of the “GTC and/or GTT and/or Similar Types of Orders” in the Trading Platform of SMIFS Limited attributed to the non- maintenance of the requisite Collateral by the Client.
- 10) The Client shall NOT hold SMIFS Limited responsible for the Non-Execution of GTC and/or GTT and/or Similar Types of Orders attributed for non-maintenance of requisite Collateral in the stipulated ratio, at the Client Level. It is pertinent to mention that the Client shall NOT claim any prospective notional “losses and/or compensation”, for the Non- Execution of “GTC and/or GTT and/or Similar Types of Orders”.
- 11) The Risk Management Department of SMIFS Limited will monitor the announcement of “Corporate Actions” (both Cash Corporate Action and/or Non-Cash Corporate Action) in respect of the Underlying Security for all the Open “GTC and/or GTT and/or Similar Types of Orders” of Client(s) on a Daily Basis.
- 12) SMIFS Limited shall intimate their clients about details of upcoming Corporate Actions applicable for such unexecuted “GTC and/or GTT and/or Similar Types of Orders” of Client(s), which should not be later than one day prior to the ex-date of the Corporate Action.
- 13) The Clients are duty bound to monitor the “GTC and/or GTT and/or Similar Types of Orders” placed on the Trading Platform of SMIFS Limited and the announcement of Corporate Actions by the underlying Security Issuer. The Client is also duty bound to follow the intimation by SMIFS Limited to their Client(s) over E-Mail at their Registered E- Mail address(es) and/or Short Messaging Services on their Registered Contact Number(s).
- 14) SMIFS Limited will NOT ALLOW CONTINUATION of “GTC and/or GTT and/or Similar Types of Orders” of Client(s) in an automated manner where “Corporate Actions” (both Cash Corporate Action and/or Non-Cash Corporate Action) are being caused by way of Book Closure and/or Record Date by the Registrar of the Issuer on the Stock Exchange.
- 15) The Clients are free to MODIFY the “GTC and/or GTT and/or Similar Types of Orders” of Client(s) where “Corporate Actions” (both Cash Corporate Action and/or Non-Cash Corporate Action) are being caused by way of Book Closure and/or Record Date by the Registrar of the Issuer on the Stock Exchange, before the Ex-Date of the Underlying Security
- 16) In case the Client(s) fail to modify the “GTC and/or GTT and/or Similar Types of Orders” before the ex-date as announced by the Stock Exchanges, the Risk Management Department of SMIFS Limited would CANCEL the pending “GTC and/or GTT” Orders and/or Similar Types of Orders of Client(s) where “Corporate Actions” (both Cash Corporate Action and/or Non-Cash Corporate Action) are being caused by way of Book Closure and/or Record Date by the Registrar of the Issuer on the Stock Exchange, which are open/ un-executed on the Trading Platform of SMIFS Limited, on a best effort basis.
- 17) The Risk Management Desk of SMIFS Limited would intimate the Clients, regarding the cancellation of the “GTC and/or GTT” Orders and/or Similar Types of Orders, by an E-Mail to their registered E-Mail Id, by T+1 day from the date of Cancellation of such “GTC and/or GTT and/or Similar Types of Orders”.

- 18) SMIFS Limited would follow the Corporate Actions which are made available by the Stock Exchanges on their official Website(s), viz. www.nseindia.com & www.bseindia.com and the Ex-Dates pertaining to cause of Corporate Action in way of Record Date and/or Book Closure announced in such official websites and/or the data files provided by the Stock Exchanges to their Trading Members for updation of scrip master on the Trading Platform of Trading Members.
- 19) Clients who wish to Notify SMIFS Limited for the “Stop Trade Facility” as per **SEBI vide Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024**, the Client is Duty Bound to specifically Notify the placement of “GTC and/or GTT and/or Similar Types of Orders” for cancellation of such Orders.

The aforementioned Policy comes into effect from **July 5, 2024** for the existing Clients registered with SMIFS Limited, as well as the Clients who would be newly registered with SMIFS Limited, from the date stated hereinabove.

The Client agrees to abide by this “**MANDATORY POLICY**” on **Handling of Good Till Cancelled and/or Good Till Triggered Orders and/or Similar Types of Orders** offered by SMIFS Limited to its Clients and the Client(s) would NOT claim any Monetary Losses and/or Compensation, for the adherence of the above attributes laid in “the Policy”, by SMIFS Limited.

The Policy is subject to periodical review based on the inputs provided by the Stock Exchanges, the suggestions from the valued Clients of SMIFS Limited and the practical experiences faced by the Dealing Operation Team Members and the Risk Management Team Members.

The Policy would be implemented by the Team Members of the Risk Management Department, who would be led and supervised by **The Head of Risk Management** - Ms. Sreerupa Das (Contact No. +91 4011 5440).

The Compliance Officer – Mr. Sudipto Datta (Contact No. +91 33 4011 5414) would monitor the implementation of the Policy through the **Compliance and Ethics Officer** – Ms. Tamari Chatterjee (Contact No. +91 33 4011 5466)