

I) Client Registration :-

- We are having Inhouse Client Registration Department.
- Usually clients are entertain who are recommended by management. The new client is interviewed by the designated Staff member who also verifies the supporting documents with the originals and seeks such other information which necessary to satisfy the identity/ address and financial status of the client.
- We take from clients a self-declaration, which states their total networth in terms of their net assets and liabilities. Such selfdeclaration has to mandatorily supported by one of the following documents
 - (a) Copy of ITR acknowledgement.
 - (b) Copy of Annual Returns.
 - (c) Copy of Form No. 16 : In case of salary income.
 - (d) Networth certificate from a Chartered Accountant.
 - (e) Salary slip duly stamped, signed by employer.
 - (f) Bank Account Statement for last six months.
 - (g) Copy of Demat Account holding statement.
 - (h) Any other document substantiating ownership of assets. Annual Returns of Previous two Years and six month bank statements are taken.
- Staff Member sending / opening the account have to do the in person verification and have to verify the supporting documents with the Originals.
In-Person Verification is done at the time of filing KYC with the supporting documents with the originals by the employee of our company and name and signature of person who has done verification is affixed in the client registration form with the date of verification
- CRD Department confirm the particulars from the clients on phone.
- After verification the account will be opened and UCC will be allotted to the client. From our back-end, we generate file for the client containing data of market segment, client code, client name, PAN, address in the format prescribed by NSE. The data generated are thereafter verified with KYC. On the data being found fully correct, the client is uploaded on UCC – site of NSE. After uploading, we run a check, on the UCC-site, by entering the specific client, whether or not the client details are actually uploaded on UCC-site.

- Duly executed client registration documents are sent to all the clients by courier except in the case where the client is available to take the hand delivery of the documents.
- All client registration documents, once checked, found complete and verified as such and the accounts opened, are stored in safevaults in a sequential manner. Client Registration forms are kept in a centralized store with proper number and the documents can be retrieved as and when required
- We have now started on an annual basis the process of sending out,
 - (a) Client Master
 - (b) Self-declaration for financial status to all clients asking them to confirm the details in client-master and update the financial particulars. It should be an annual exercise of updation of client particulars.
 - (c) Whenever a client wants to update his/her particulars he/she is asked to provide the same in writing/email and if the same is found in order than the same is rectified.
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- We have made checker concept to avoid misuse by filling up data on the unfilled areas viz. segment, space provided for giving e-mail id, etc. client particulars viz. address, e-mail id, contact details, etc. are updated on receiving the request from the client and after proper verification of his signatures with the form.

II) Risk Management Policy

The company has a centralized RMS Department which is responsible for setting up of Clientwise Trading limits as prescribed in RMS Policy of the company.

Pay-in is due the day next to the trade. If pay-in is not received by the close of the working hours on the day next to the trade day, the same shall be subject to a penalty percentage which shall not exceed the prevailing bank rate of interest. This penalty shall be levied for the actual period for which the payment for the transaction / transactions has been delayed. The client is given an exposure limit equivalent to the sum of credit balance in client's ledger account and the value of client's collaterals lying with us, after applying the hair-cut percentage prescribed by SEBI from time to time. Such exposure limit is monitored on-line as the client is trading and any short-fall or deficit in margin with respect to any order/orders of the client shall have to be made up on an instantaneous basis by the client, if the input order is to be allowed by us into the trading cloud.

In case of a client having an open position and his available margin (in terms of ledger credit and collaterals) being consumed towards the margin requirement of the existing open position, such client shall not be allowed to take any further position either in Cash Market or F & O Segment. Not only that the said client will not be allowed to take any further position in the market, but also we shall have the right to square up such existing position of the client in case of the value of open position over-shooting the client's available margin with us.

All debit balances are monitored on a daily basis. No debit is allowed to remain in books beyond three days. After three days client's securities and collaterals are auctioned off to realize the outstanding.

Pay-in funds and securities must be complete by the close of the working hours on the day next to the trading. However, securities can be paid in maximum by 10.30 AM on the (T+2) in day i.e., that is on the second day from the trading day. If not, they go for auction and the auction loss has to be borne by the customer. In case of non pay-in of funds, we do make the pay-in but securities are not released until the client makes the pay-in along with penal interest.

The local clients give us their cheques at the corporate office. To cater to remote clients we have opened CBS accounts with HDFC Bank. These account numbers are notified to clients, who deposit their cheques in these accounts and send us intimation comprising the cheque number and the bank where they have deposited the cheque. The clients also send us through courier counter-foil of the pay-in slips which they have used to deposit the cheque.

The Bank reconciliation of the client bank accounts (with HDFC Bank) happen on a daily basis.

If the cheque is found to be dishonored, we levy a penalty on the client.

Clients are given the cheques for their dues on the very day the pay-out is received from the Stock Exchange. However, clients maintaining their account on a running basis do not take their pay-out on a transaction-to - transaction basis. Whenever they want the pay-out, they inform us

through sub-broker (or a direct client will inform the Accounts Department in Corporate Office) and the credit balance (which has become due - a credit balance for which the exchange pay-out is not received is considered not due) is released to the client.

III) Closure of Client Accounts / Dormant Account

- The client is required to submit the Account closure request in writing. We then ask him to confirm the financial & securities account balance and intimation letter for closure of the account is forwarded to the client.
- The client whose account has remained inactive for more than 6 months is temporarily suspended for trading from trading platform and the client is required to give written request for reactivating the same.
- We don't have any branch.
- In addition to the written request the client is supposed to visit in person and to provide the copies Address and Identity Proofs along with the Written request.

IV) Order receipt & Execution

- All the trades executed are duly confirmed to the clients and the Head of the front office operation ensures that all the trades are duly confirmed to the clients.
- We do not exercise discretionary powers to execute client orders.
- The personal details of the clients are enquired before entering a order from respective client.

V) Contract Notes, Daily Margin Report & Statement of Account for Funds & Securities

- All the contract notes and daily margin statement documents are send to all the clients by courier except in the case where the client is available to take the hand delivery of the documents.
- Within 24 hours of execution of trades.
- Dispatch Registers with POD are maintained for sending of the Contract Notes, Daily Margin Statement, Quarterly Statement of Accounts for Funds & Securities.

VI) Policy for internal shortages

If there is an internal shortages between inter client then immediately the relative quantity of stock is purchased from exchange and it is debited to the client who has failed to deliver the stock. And the same stock is delivered to the buying client. There is no waiting period for after payin time for purchase of non delivered internal position.

(VII) Policy for transfer of trades :

We have not given any of our sub-brokers the right to transfer trade. This right is available only at our Head-office under highly restricted circumstance with prior approval.

We entertain requests from sub-brokers for client code change on a very conservative basis. However, in certain cases which we are convinced are genuine mistakes of data-punching error, we do make the client code change, but after ensuring that the sub-broker has not done margin arbitrage at client level.

In cases, where our terminal operators make mistakes, we take from them in writing that they have done data-punching error while inputting orders.

However, where there are such successive requests for client code change from the same terminal operator, it is our policy investigate and take necessary action. However, there has never been an occasion for us to test that policy.

We have a strict policy with respect to client code change. Inadvertent errors are inevitable. Where a client code change has been allegedly done for margin – arbitrage, the sub-broker who has made the client code change request is levied a penalty.

(VIII) Investor Redressal Mechanism

Regarding Investor Redressal, we maintain complaints register centrally. The clients are well informed about email id for redressal of investor grievances. Till now none of our clients have registered any complaints against us with the exchange. Our clients have not registered any complaints against us. Till date we have no complaints pending against us.

We have compliance officer to resolve the complaint if any. We maintain acknowledgement on 2nd copy or POD of courier for receipt of contract notes by clients. Regarding collection of margins debits, daily review of clients ledger is done and any pending debits are immediately called for. Only one back office software is used for billing and accounting purpose ie. Shilpi Software .Regarding authenticity of transactions carried out in dormant accounts (not being operated in last six months) The contract Notes are send by Back office and debit if any is called from Back office. So the client will immediately reject the contract if he has not traded for. We do not take any POA is taken from clients.

(IX) Allotment, Surrender of trading terminals

Regarding limit setting of terminals, all the trading terminals are installed at Head Office only and are under the direct supervision of concerned director. So limit setting and mapping of clients is done on their instructions. All the necessary information is submitted to the Exchange from time to time as required. Regarding receipt of funds from clients is done within next working day of trade and payment is made to them on request by client. Delivery of Securities to clients is done within next working day of pay out subject to receipt of funds from clients and on request by client We do not have any sub broker or branches.

(X) Registration / Surrender of APs/Sub Brokers

- Prospective AP/Sub Broker will be required to fill the Application Form for becoming the AP/Sub Broker
- Sales Person will visit the AP/Sub Broker office to assess the adequacy of infrastructure, provisions of logistics and ascertain the business potential of the area
- Prospective AP/Sub Broker will be interviewed by the Directors / VPs
- All the documents related to AP/Sub Broker Registration will be executed and forwarded to Exchange(s) for Registration
- After Getting the Registration User Ids for trading terminals / online back office will be allotted to APs/ Sub Brokers,
- Glow Sign Board / Notice Board / Sebi Registration Certificate / Account Opening Forms and other stationery will be forwarded to AP / Sub Broker

(XI) Brokerage

Brokerage schemes provided to the clients

Differ from Client to client but not more than 2.5% as per the SEBI guideline.