

Policies & Procedure – Client Registration

In order to ensure proper compliance with various Notices/Circulars /Guidelines issued by SEBI/Exchanges and uniformity the Company has prescribed the **Policies & Procedure** as under for guidance of all employees in HO/all Branches which is to be strictly followed by all.

[1] Refusal of orders for penny stocks

There is no formal list of the “Penny Stocks” issued by the Exchanges/SEBI. However there are shares of certain companies which are called/known as “Penny Stocks” in the Market. These shares may be part of the list of “Illiquid Stocks” issued by the Exchanges from time to time but not necessarily so in all cases. As dealing in these stocks (in physical form or demat form) is risky the Company (as a stock broker) may decline to carry out Buy/Sale Order/s of any client for so called “Penny Stock”

[2] Setting up of Client’s Exposure limits

The Company will fix the limit in value for each and every Client for which Buy/Sell Order/s of any particular Client will be executed in normal course based on “Income level” for the year confirmed by the Client and other considerations. The Company will not disclose the rationale / logic of their decision (about fixation of the monetary limit). However if requested by the Client for any specific transaction/s to be carried out as a special case then it may be considered on merit.

[3] Applicable Brokerage Rate

At present SEBI permits maximum brokerage @ 2.5%.The Company charge brokerage to their Clients at the rate/s below this maximum limit. Each client will be intimated the rate at which brokerage will be charged to him / her / it. This rate will be revised by the Company based on volume of the Client’s business / market conditions / other relevant factors. Any change in the rate of brokerage will be intimated to the Client in writing in advance.

[4] Imposition of penalty /delayed payment charges by either party –Rate/Period

All Clients who have agreed to have a “Running Account” with the Company will have to make payments due to the Company on due date/s. In all cases if payment is not made to the Company on due date penalty / delayed payment charges for delay in payment of amount relating to settlement, margin or any other dues relating to securities transactions @ _____ % per annum. These charges shall be levied from the date of debit balance till the credit of payment in your bank account.

[5] The right to sell client’s securities or close client’s position, without giving notice to the client, on account of non-payment of client’s dues.

In case any particular Client has failed to make payment on due date then the Company will sell that particular client’s securities or close that particular client’s position, without giving notice to the client on account of non-payment of dues.

[6]Shortages in obligations arising out of internal netting of trades

In case of BSE, shortages arising out of Internal Netting of trades are given for self auction to the exchange through exchange mechanisms.

In case of NSE, shortages arising out of Internal Netting of trades, client shortages are closed out by company at 10% above the closing rate of that particular scrip of auction date.

In case of shortages due to Internal Netting of trades if the Company is required to pay any penalty to the Exchange/s it will be charged to the Client concerned.

[7]Conditions under which a client may not be allowed to take further position or broker may close the existing position of a client.

It is to be noted that under following circumstances any Client will not be allowed to take further position or the Company may close that particular Client's position (i) If the particular Client is a Defaulter of amount due to the Company (ii) Value of the Collateral is not sufficient to meet the Losses incurred by the Client (iii) If according to the Company Market Conditions has turned or likely to turn unfavorable based on the information available or it is the view of the matter taken by the Company. (iv) that particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s

[8]Temporarily suspending or closing a client's account at the client's request

It is to be noted that under following circumstances any particular Client's Account may be Suspended / Closed (i) On receipt of Written Instruction from that particular Client (ii) that particular Client is barred from Trading on the Exchange/s by SEBI/Exchange/s (iii) The particular Client who has defaulted in making payment on due date to the Company (iv) on receipt of any adverse information by the Company about the particular Client.

[9] Deregistering a client.

It is to be noted that any particular Client/s who is/are covered under any of the following category will be deregistered

(i) that particular Client/s is/are barred from Trading on the Exchange/s by SEBI/Exchange/s (ii) The particular Client who has defaulted in making payment on due date to the Company (iii) on receipt of any adverse information by the Company about the particular Client (iv) The Client NOT trading through the Company continuously for more than 12 months

10. Treatment of Inactive Accounts

The Clients who are inactive for the period of six months will be locked for further trading in order to avoid erroneous punching of order. Such customers can get their accounts activated by orally requesting their relationship manager or sub-broker.

I have read and understand the above policy for RMS and Controls of the Member and state that I will strictly abide by the conditions laid in this policy.

Annexure
Investors' Rights and Obligations

1.1 You should familiarise yourself with the Protection accorded to the Money or other Property you may deposit with your Member, particularly in the event of a Default in the Stock Market or the Broking Firm's Insolvency or Bankruptcy

1.1.1 Please ensure that you have a Documentary Proof of your having made deposit of such Money or Property with the Member, stating towards which Account such Money or Property deposited

1.1.2 Further, it may be noted that the extent to which you may recover such Money or Property may be governed by the Bye-laws and Regulations of NSE / BSE and the Scheme of the Investors' Protection Fund in force from time to time

1.1.3 Any Dispute with the Member with respect to Deposits, Margin Money, etc, and producing an Appropriate Proof thereof, shall be subject to Arbitration as per the Rules, Byelaws / Regulations of NSE / BSE or its Clearing Corporation / Clearing House

1.2 Before you begin to Trade, you should obtain a clear idea from your Member of all Brokerage, Commissions, Fees and other Charges which will be levied on you for Trading. These Charges will affect your Net Cash Inflow or Outflow

1.3 You should exercise Due Diligence and comply with the following Requirements of the NSE / BSE and / or SEBI:

1.3.1 Please deal only with and through SEBI Registered Members of the Stock Exchange and are enabled to trade on the Exchange. All SEBI Registered Members are given a Registration Number, which may be verified from SEBI. The Details of all Members of NSE / BSE and whether they are enabled to Trade may be verified from NSE / BSE Website (www.nseindia.com / www.bseindia.com)

1.3.2 Demand any such Information, Details and Documents from the Member, for the purpose of Verification, as you may find it necessary to satisfy yourself about his Credentials

1.3.3 Furnish all such Details in Full as are required by the Member as required in "Know Your Client" Form, which may also include Details of PAN or Passport or Driving License or Voters Id, or Ration Card, Bank Account and Depository Account, or any such Details made Mandatory by SEBI / BSE / NSE at any time, as is available with the Investor

1.3.4 Execute a Broker-Client Agreement in the form prescribed by SEBI and / or the Relevant Authority of NSE / BSE or its Clearing Corporation / Clearing House from time to time, because this may be useful as a Proof of your Dealing Arrangements with the Member

1.3.5 Give any Order for Buy or Sell of a Security in Writing or in such form or manner, as may be mutually agreed. Giving Instructions in writing ensures that you have Proof of your intent, in case of Disputes with the Member

1.3.6 Ensure that a Contract Note is issued to you by the Member, which contains Minute Records of Every Transaction. Verify that the Contract Note contains Details of Order Number,

Trade Number, Trade Time, Trade Price, Trade Quantity, Name of Security, Client Code allotted to you and showing the Brokerage separately. Contract Notes are required to be given / sent by the Member to the Investors latest on the Next Working Day of the Trade. Contract Note can be issued by the Member either in Electronic Form using Digital Signature as required, or in Hard Copy. In case you do not receive a Contract Note on the Next Working Day or at a mutually agreed Time, please get in touch with the Investors Grievance Cell of NSE / BSE, without delaying

1.3.7 Facility of Trade Verification is available on NSE / BSE Website (www.nseindia.com / www.bseindia.com), where Details of Trade as mentioned in the Contract Note may be verified from the Trade Date up to Five Trading Days. Where Trade Details on the Website, do not tally with the Details mentioned in the Contract Note, immediately get in touch with the Investors Grievance Cell of NSE / BSE

1.3.8 Ensure that Payment / Delivery of Securities against Settlement is given to the concerned Member within One Working Day prior to the Date of Pay-in announced by NSE / BSE or its Clearing Corporation / Clearing House. Payments should be made only by Account Payee Cheque in favor of the Firm / Company of the Trading Member and a Receipt or Acknowledgement towards what such Payment is made be obtained from the Member. Delivery of Securities is made to the Pool Account of the Member rather than to the Beneficiary Account of the Member

1.3.9 In case Pay-out of Money and / or Securities is not received on the Next Working Day after Date of Pay-out announced by NSE / BSE or its Clearing Corporation / Clearing House, please Follow-up with the concerned Member for its release. In case Pay-out is not released as above from the Member within Five Working Days, ensure that you lodge a Complaint immediately with the Investors' Grievance Cell of NSE / BSE

1.3.10 Every Member is required to send a Complete 'Statement of Accounts', for both Funds and Securities Settlement to each of its Constituents, at such Periodicity as may be prescribed by time to time. You should report errors, if any, in the Statement immediately, but not later than 30 Calendar Days of Receipt thereof, to the Member. In case the Error is not rectified or there is a dispute, ensure that you refer such matter to the Investors Grievance Cell of NSE / BSE, without delaying

1.3.11 In case of a complaint against a Member / Registered Sub-Broker, you should address the Complaint to the Office as may be specified by NSE / BSE from time to time

1.4 In case where a Member surrenders his Membership, NSE / BSE gives a Public Notice inviting Claims, if any, from Investors. In case of a Claim, relating to "Transactions Executed on the Trading System" of NSE / BSE, ensure that you lodge a Claim with NSE / BSE / NSCCL / Clearing House within the Stipulated Period and with the Supporting Documents

1.5 In case where a Member is expelled from Trading Membership or declared a Defaulter, NSE / BSE gives a Public Notice inviting Claims, if any, from Investors. In case of a Claim, relating to "Transactions Executed on the Trading System" of NSE / BSE, ensure that you lodge a Claim with NSE / BSE within the Stipulated Period and with the Supporting Documents

1.6 Claims against a Defaulter / Expelled Member found to be Valid as prescribed in the relevant Rules / Bye-laws and the Scheme under the Investors' Protection Fund (IPF) may be payable First Out of the Amount vested in the Committee for Settlement of Claims against Defaulters, on Pro-rata basis if the Amount is Inadequate. The Balance Amount of Claims, if any, to a Maximum Amount of Rs 10 Lakhs per Investor Claim, per Defaulter / Expelled Member may be payable subject to such Claims being found payable under the Scheme of the IPF

Notes

- 1 The Term "Constituent" shall mean and include a Client, a Customer or an Investor, who deals with a Trading Member of NSE / BSE for the purpose of acquiring and / or selling of Securities through the Mechanism provided by NSE / BSE
- 2 The Term "Member" shall mean and include a Member or a Broker or a Stock Broker, who has been admitted as such by NSE / BSE and who holds a Registration Certificate as a Stock Broker from SEBI
- 3 NSE / BSE may be substituted with Names of the relevant Exchanges, wherever applicable

