

Client Registration and documentation and updations:

- Basis of accepting as client : Clients are acquired in our system through multiple ways such as referrals from existing clients, walk ins/on calls, through awareness activities at companies, housing societies and other public places, client meets etc.
 - Once the prospect is satisfied and is willing to start a relationship, the RM hands over the account opening cum registration form which the prospect has to read, fill and sign at the appropriate places. All the required documents as per KYC norms are collected from the prospective client.
- The KYC documents are independently verified by the DP Team as well as the Trading Account Opening Team. In case of any discrepancy the form is returned back to the branch for corrections to be carried out. Besides the manual verification of the forms and documents, we also check the client details on “Trackwize” TSS are Software for any defaulter verification and do a online PAN verification from the IT website. If everything is in order, the forms are processed and DP ID and the Broking client ID is generated. The status of the KYC is updated at HO in the KYC Tracker software which is available to branches on a real time basis.
- Procedure for In-person verification of clients and maintenance of proof for the same, specifically in respect of out station & sub-broker clients :
 - In person verification of clients is done by the respective RMs/Dealers/Sales person meeting the clients. The KYCs are accordingly stamped & signed by the respective person introducing the clients.
- As per the existing process, once the KYCs are processed, A copy of the KYC with the client details, his DP id, Bank details, email id are sent to the clients. The documents are sent by courier to the clients. We maintain the Proof of Delivery (POD) details of the same with us.

Authorised Person Registration procedure documentation and updation:

Registration documents are collected by respective branches as per exchange laid down process and reviewed centrally before submission to exchange, updations are done as and whenever any changes are done by AP or proposed by AP

Sales Policies followed by the member:

Sales Process is divided into 3 stages:

1. Pre-sales activity
2. Sales Process activity
3. Post-sales activity

Pre-Sales Activity:

- Pre- sales approach is obtaining vital information prior to approaching the prospective clients. The pre sales activity involves knowing about the Company, Product, Prospective clients, Customer, Competition, Activities, Tools & Advisory Process.
- Prospecting process involves identifying, approaching and qualifying potential customers for our service offerings.
- Online leads are generated through "Open an Account", getting in touch with the client & identifying his portfolio building capacity, accordingly introduce the product & also share the relative information about other available products

Sales Process Activity :

- The sales process involves getting to know the client and apprising them of the services offered that would suit their needs.
- Sometimes Presentation is given to the client about the product and services.
- Execution of KYC and completion of account opening formalities.
- Information about the product, benefit a client would get by obtaining a particular product with its presentation & wherever possible the past performance, information about brokerage charges etc.

Post Sales Activity:

- Intimation of Account opening
- Assigning of Relationship Manager and Branch
- Other post sales activities involves client servicing including but not limited to be in regular touch with the clients to check whether they are receiving the desired services and to ascertain the satisfaction levels of the client and take necessary action if required.
- Conduct training session for client so as to make them aware about the products & services offered.
- Call & inform the client about the updates if any on trading platform, any new product introduce etc.
- Any query related to trade / advisory / login / password issues etc. are attended & resolved accordingly.

Closures of client account:

Client accounts are closed as per client request or by serving 30 days notice to client.

Order receipt and execution:

Order are mostly received on recorded telephone line and after verifying client credentials trades are executed as per client request. Client give call on recorded line to the Dealer and RM and place order. If the order/s is received from person other than client, the same is accepted only after obtaining Authority Letter from the Client. Till date, trade order from Clients are not accepted by email or fax.

In case client visit personally at branch office to place orders, deal slip signed by the client taken.

Online customer place order by using 2 factor authentications.

Order confirmation is given by the Dealer /RM on recorded line after market hour. In addition to this, our Customer care department gives order confirmations to the clients. Confirmations are given for all clients daily. If any not picking up call or else unable to call then we confirm the trade before he executes the next trade.

SMS is also sent to the clients, whenever there is change in the ledger balance of the client due to trades placed.

Sending contract notes, daily margin statement quarterly statements of accounts to the clients:

Issuance of contract notes (Physical and ECN)

Physical Contract Notes :

All physical contract notes are sent to the clients by courier/speed post. The duplicate copies of the same are stored at HO. The PODs for all the contract notes sent are received from the couriers on a monthly basis and the details are updated in the systems for records. Undelivered contract notes by courier are sent second time by post as they have a better reach and can go to interiors and deliver.

Wherever the contracts come back from post also, we call up the customer and inform him that the contracts are not getting delivered for various reasons. If the customer informs that he has changed his address, then we send him the modification form and tell him to sign and send back or give to the nearest branch along with the valid proof. This way the correct address gets updated and the contract notes get delivered at the actual address. Wherever the customers are not contactable, we make a couple of attempts to reach him and if he still is unreachable, then we send him a mail describing the entire scenario and if there is no acknowledgement from his side, then the account is frozen.

Electronic Contract Notes (ECN) :

ECN are sent to the Clients who opted for ECN. There is option in the account opening form where customer has to opt for either physical or electronic contract notes. If customers opts for electronic, then he is sent the digital signed contract note at his email id. The ECN file is

generated from the back office software and customers are send digitally signed contract notes to the email id mentioned in their KYC and which is captured in the client master. The log report gets generated which shows whether the contract was delivered successfully or it got bounced. Wherever the logs show as bounced, we send the physical contract notes to such customers and maintain the PODs of such contracts sent.

Issuance of Quarterly Statement of Accounts & Securities Ledger

- Quarterly Statement of Accounts & Securities are generated segment wise (BSE Cash, NSE Cash, NSE CD and NSE F&O) from the back office software after all the entries for the quarter are completed.
- The statements (Accounts and Securities) are sent by email to clients having a email ids registered with us. If any special request we sent physical statements by courier. The logs for the email statement of accounts are maintained by the accounts team and the logs for the securities statement are maintained by the Settlement Team. The PODs for the physical statements (Accounts and Securities) are maintained by the Settlements Team.
- Statements returned by courier under as No service/Door locked are resent by Post.

Collection of pay in, margin , limits setting for exposures & turnover for clients, terminals, branches & sub broker level

Having debit balances in the client's financial ledger is an integral part of stock broking operations. This may be because the client has bought securities for which the payment is due to be received or client has bought securities for which the client has given a cheque however the same is not yet cleared or the client has taken a position which was allowed to be taken based on the valuation of securities provided as margin.

It is essential that the debit balances are controlled and not allowed to spiral out of control.

Control on Debit Balances

A) Covered by Collateral :

To ensure that the clients do not carry the debit balances (covered by Collateral with us) permanently, the following Policy will be adopted:-

- a) Trading shall be permitted against Stock for not more then T + 5 days.
- b) On T+5 day, the client's further buying on Delivery basis shall be suspended. And stock needs to be sold /liquidated by 2:00 pm on the T+5 day by the RM / Dealer / sub-broker, else the same shall be squared off by HO RMS Team and/or in case of M2M loss of 85%, whichever is earlier.

B) Uncovered / Likely to get Uncovered:

Debit balance of any client shall not exceed 80% of the value of the collateral with us. On reaching 80% or above, client shall be requested through the branch to either get the payment / additional collateral and/or liquidate the stocks / positions to clear the debit balance. Else, HO RMS team shall liquidate the said stocks / positions the moment the M2M loss reaches 85%.

A daily DSR (debit balance vs. collateral value report) will be provided to all branches each day in the morning latest by 9:00 am by HO RMS team. Such report is / shall be computed by LD software.

C) Cheque Entry and credit to the client

- The cheque / instrument showing under clearing in the bank account. The exposure would be provided once the cheque has been cleared and credit received in our bank account. In Some case Limit gives on uncleared cheque.
- We should also make online fund transfer facility (Other than payment Gateways) available to the clients with designated banks to transfer online funds to us. In such case we would be giving credit within 30 minutes of it's reflection in our bank account as it is being presently done for online clients transferring online funds.

D) Cheque issuance and payment to the client

- All such requests shall be centrally processed and the client's ledger account would be debited at the time of issuance. However, all such payments would be made in consultation with the RMS team so that no exposures / limits in lieu of such credit is utilized by the client. At the time of issuance of the pay-out cheque exposures / limits would be reduced accordingly by the RMS team.

E) Collateral Shares as a margin

- Company will accept shares as collateral towards margin subject to minimum 30% haircut. All such credits shall be given only after receipt of shares in the company's designated DP Account. Also, such shares must come to the designated DP ID from the respective client's defined DP ID, only, else it shall be treated as third party and no credit shall be given against the same. The RMS team shall update the value of such collateral on the daily basis (BOD) and accordingly deposits / capital available shall be updated to the respective client(s) towards margin / exposures.
- Margin by way of shares / collateral shall not normally exceed 50% of the capital available / applicable margin to take care of daily m2m losses, if any.
- In case client asks for such shares back, then these shares would be transferred only to the respective clients designated DP ID only, after reducing the capital available / exposure / limits for the respective client.

- F) Enhancement of limit during the day shall be prerogative of the RMS - Head and all such authorizations shall be based on recorded requests from the Branch Manager / sub-broker, subject to no chq bouncing / default track record, etc :-
- i) Based on the scan copy of the cheque.
 - ii) Based on the physical chq instrument at the branch / sub-broker
 - ii) Based on the assurance / confirmation from the branch manager / sub-broker, that cheque will be deposited on T+1, morning.

Allotment, surrender trading terminals

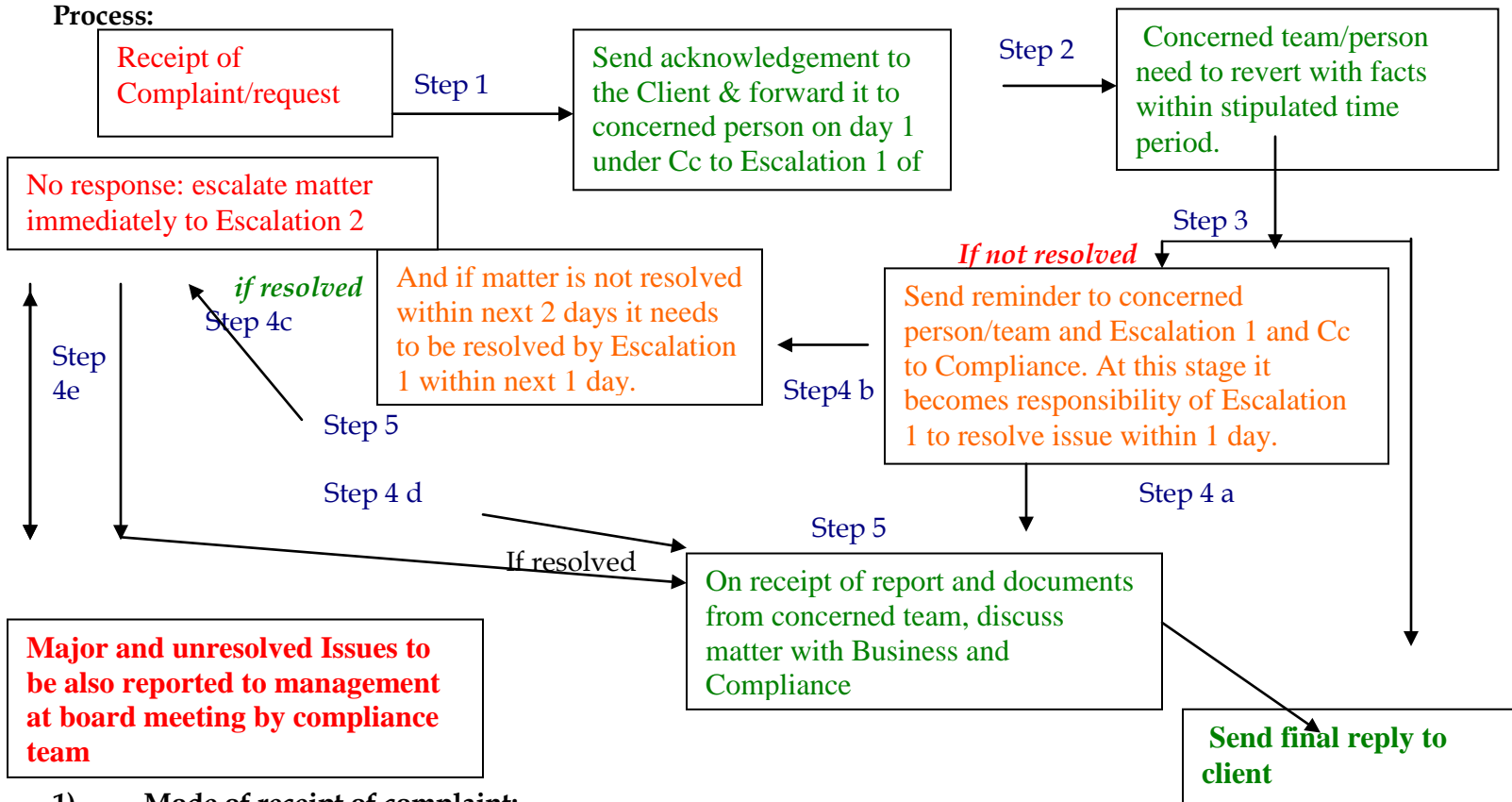
Allotment is done to authorized employees/ authorized person based on written request. Terminals are closed/ surrendered as and when employee leaves.

Investor's redressed Mechanism

Objective: This approval is needed to roll out the formal process of resolution of client complaints within maximum 15 days as against the statutory timeline of 30 days. The process is also required to streamline and organize the process of resolving client complaints and to provide better and timely response to clients.

This note details the Investor Grievance Resolution Process.

Process:



1) Mode of receipt of complaint:

- a) Email on Compliance ID/ Support ID/ Customercare ID or at E mail IDs of Relationship Managers
- b) Letters
- c) Telephone calls- Client should be requested to send written complaint however action on oral complaint should start immediately.

Any complaint received via any mode related to compensation/ mis-selling / wrongful trade/ unauthorized trade received by anyone in the organisation is to be forwarded/ reported to Compliance Team, business head on same day of receipt of complaint. Any non-reporting will be seen as serious breach of service contract.

2) Complaints are to be acknowledged immediately if received on email and to be worded as below:

The acknowledgements are to be sent from compliance ID or grievance ID if the mail is addressed or is related to compensation/ mis-selling, wrongful trade/or unauthorized trade . It is to be sent from Compliance or Grievance ID in all support/ operations related issues.

Notes:

- Since various departments are involved in the process, all are advised to be extra careful in providing accurate data and facts. Data provided by any of us will be deemed as correct and exhaustive. Though few matters will be responded directly by respective departments/persons concerned, still they will be open to internal review by Compliance team to monitor regulatory requirements and time lines in case of multiple complaints.
- As most complaints are received on grievance ID, while responding keep Compliance Department in Copy (Cc).
- It would be the responsibility of respective teams to get issue resolved by other teams (especially when teams need to consult Business/IT and Compliance for their views), in case of non response, issue needs to be escalated and may be referred for monthly reports to Management
- Compensation paid to clients may be recovered from employees at Management's discretion.
- Cc of mails related to investor grievance will be marked to department heads for their information. However, if any issue/ matter is not resolved within prescribed time limit it will become responsibility of Escalation 1 to resolve it within 1 working day and if matter is not resolved by Escalation 1 by next working day then it will be escalated to Escalation 2 immediately without any reminder.
- Compliance team will handle case in which Client has approached Regulatory Authorities.

Payments, receipts of fund and Securities from / to clients

Receipts of funds & Securities are taken from designated account of client similarly payments of funds & Securities are made to designated accounts of clients.

Branch audit:

As per NSE Circular Number NSE/MEM/275 dated 12/06/1997, Company endeavor to inspect its 10 to 20 % of their branches as at the beginning of the year. Accordingly one person from the Compliance Department visits local and out station branches.

On visiting Branch/Sub-broker for Inspection:-

- A. We ensure that all Statutory Certificates and Documents displayed at Branch at a prominent place.
- B. We ensure that details on the Board of NSE & BSE Trading Terminal is correct, along with Branch Manager's details and Contact Person at Head Office details, Do's & Don'ts and Investor's Alert Board is visible & clear.
- C. We check whether Dealer /RM mobile phones kept under lock & key during market hours.
- D. We check that all customers who walk in & place orders are deal slips taken & filed along with the transaction log.
- E. We confirm and a sometime advice to dealer to downloads a report of all transactions for the day-customer wise- and obtains order confirmation from all customers and advice Branch Manager/Team Leader to check individual call recordings by selecting a random sample and keep record of log check.
- F. Ensure that Branch employees are aware of Self Account Trading system and if they are not aware of it then demonstrate them the how "Trade Declaration" system works.
- G. We check whether all Dealers/RM's/Equity Advisors trading for clients from there respective trading terminals only.
- H. We advice branch RM/ARM/Equity Advisor /Dealer/Sales Executive to visits CLIENT's Residence before KYC logging in and to check Financial details (sources of income through which money will invest) of the client
- I. Confirm with Branch Manager that whether,
 - a) Branch employees are NCFM cleared in Cash & Derivatives and BCSM in cash or not and advice them to cleared within next one month.
 - b) He himself cleared NCFM cleared in Cash & Derivatives and BCSM in cash or not and advice them to cleared as soon as possible.
 - c) Voice Logger, Telephone Lines, Internet are working or not if not working then advice to contact IT Dept and correct it as soon as possible
 - d) Advice Branch Manager/Team Leader to have Random interaction with Top Volume (Turnover) clients
 - e) INWARD-OUTWARD books maintains by Branch and if not then advice to start maintaining it
 - f) To keep customer documents stored under proper lock & key

- g) Check that is it possible for branch employees to transfer data from the branch systems onto any removable disk.

On Completion of Branch Inspection, we take Branch Manager's signature on Branch Inspection check list. Further we also resolve their query or correct the things if any at Branch level or on next day on mail or on follow up or on next inspection of the Branch.

Capacity of systems with reference to volume:

Reviewed periodically and upgraded from time to time.