



P H Financials And Investments Pvt Ltd

CLIENT REGISTRATION FORM
(Individual)

Client Code

Client Name

Note: Kindly read account-opening instructions given at the “back of this page” before filling.

P H FINANCIALS AND INVESTMENTS PVT LTD
(Member of NSE & BSE.)

SEBI Registration No.

NSE & BSE CAPITAL SEGMENT : INZ000184532

NSE FUTURES & OPTION SEGMENT : INZ000184532

NSE & BSE TRADING OFFICE & REGD.OFFICE:
Jaisingh Business Centre, 601 Plot No. CTS 119/120,
Sahar Road, Parsiwada, Andheri (E),
Mumbai – 400 099. Telephone: 66811800
Fax no.: 66811899/88

Website : www.phf.co.in

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

C. Proof of Address (POA): - List of documents admissible as Proof of Address:

(*Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial

Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.

7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions/clarifications to PAN

*(*Sufficient documentary evidence in support of such claims to be collected.)*

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds up to Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the Intermediary.

E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

The following documents are required for opening a Trading Account for Individual Client with our Broking Company :-

- 1) Copy of Demat Account statement, Bank Statement (not older than 3 months)
- 2) Copy of PAN CARD
- 3) Copy of Address proof (Passport/ Voters Identity Card/ Ration Card/ DrivingLicense/Aadhar Card).
- 4) Cancelled Cheque

Annexure - 1

ACCOUNT OPENING KIT - INDEX

S. No.	Name of the Document	Brief Significance of the Document	Page No
MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES			
1	Guidance note	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	5&6
2	Account Opening Form	A. KYC form - Document captures the basic information about the constituent and an instruction. B. Documents detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchange(s) & UCC Code allotted to the Client	7,8,9,10,11
3	Risk Disclosure Document(RDD)	Document detailing risks associated with dealing in the securities market.	12,13,14,15, 16
4	Rights and Obligations	Document stating the Rights & Obligations of stock broker/trading member, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based	17,18,19,20,21, 22,23
5	Policies and Procedures	Document describing significant policies and procedures of the stock broker (<i>to be added by the stock broker</i>).	
6	Policy regarding inactive Account	Policy regarding treatment of inactive Accounts	
7	Policy for Client Code	Policy for Client Code Modification	
8	Policy on Pre Funded Instrument	Mode of Payment	39
VOLUNTARY DOCUMENTS AS PROVIDED BY THE STOCK BROKER			
9	Declaration for Proprietary Trades	Member informing the client regarding the proprietary trading	26
10	Voluntary Clause	Authority from client for maintains of his/ its balance over various exchanges/ segments account on Running Account basis & for Adjustment.	24
11	Authorisation for Electronic Communication	Authorised to receive contract notes, ledgers & other communication over various segment.	25
12	Intimation of Money Laundering	This Document is to make the client aware of Anti Money Laundering (AML) provisions.	34,35,36,37,38
Name of stock broker/trading member/clearing member		P H FINANCIALS AND INVESTMENTS PVT LTD	
SEBI Registration No. and date		NSE Capital Market : INZ000184532 26th October 1994 NSE Future & Option : INZ000184532 6th June ,2000. BSE Capital Market : INZ000184532 11th September 2017	
Incorporate Correspondence Office Address, Phone no & Website		6th Floor, Jaisingh Business Centre, Sahar Road, Parsiwada, Andheri (E), Mumbai- 400 099. Website: www.phf.co.in Ph: 66811800 Fax: 66811888	
Compliance Officer Name, Phone No. & Email Id		Miss.Rupali Gonsalves ,Email:- compliance@phf.co.in Phone No: 66811820.	
CEO Name, Phone No. & Email Id		Mr.Parag P Hemdev, Ph : 66811800, Email id: equity@phf.co.in	

For any grievance/dispute please contact P H FINANCIALS AND INVESTMENTS PVT LTD at the above address or email id- grievance@phf.co.in and Phone no. 91-9324362533. In case not satisfied with the response, please contact the concerned exchange(s) at ignse@nse.co.in for NSE & is@bseindia.com for BSE Ph. 022- 26598100./1800220058

DO's AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges www.nseindia.com , www.bseindia.com and SEBI website www.sebi.gov.in.
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. 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 the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
 - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding Obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such

d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.

15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.

19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

20. Note that all the stock broker/sub-brokers has been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

Sign: _____

Date: _____

P H FINANCIALS AND INVESTMENTS PVT LTD
SEBI Registration No. NSE & BSE CAPITAL SEGMENT: INZ000184532
NSE FUTURES & OPTION SEGMENT: INZ000184532
KNOW YOUR CLIENT (KYC) APPLICATION FORM

FOR INDIVIDUALS

PHOTOGRAPH Please affix your recent passport size photograph and sign across it
--

Please fill this form in ENGLISH and in BLOCK LETTERS.

A. IDENTITY DETAILS

- Name of the Applicant: _____
- Father's/ Spouse Name: _____
- a. Gender: Male/ Female b. Marital status: Single/ Married c. Date of birth: _____ (dd/mm/yyyy)
- a. Nationality: _____ b. Status: Resident Individual/ Non Resident/ Foreign National
- a. PAN: _____ b. Aadhaar Number, if any: _____
- Specify the proof of Identity submitted: _____

B. ADDRESS DETAILS

- Residence Address: _____

 _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
- Contact Details: Tel. (Off.) _____ Tel. (Res.) _____ Mobile No.: _____ Fax: _____ Email id: _____
- Specify the proof of address submitted for residence address: _____

- Permanent Address (if different from above or overseas address, mandatory for Non-Resident Applicant): _____
 _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____

5.

Occupation	
Professional <input type="checkbox"/>	Retired <input type="checkbox"/>
Salaried <input type="checkbox"/>	Business <input type="checkbox"/>
Employed <input type="checkbox"/>	Student <input type="checkbox"/>
Housewife <input type="checkbox"/>	Others <input type="checkbox"/>
Nature Of Business (Products / Services Provided) : _____	

B. OFFICE ADDRESS DETAILS (Mandatory if Salaried/ employed / Self employed Professional /Business /Others)

- Address: _____

 _____ City/town/village: _____ Pin Code: _____ State: _____ Country: _____
 Contact Details: Tel. (Off.) _____ Mobile No.: _____ Fax: _____ Email id: _____

Annexure —3

TRADING ACCOUNT RELATED DETAILS

A. BANK ACCOUNT(S) DETAILS

Bank Name	Branch address	Bank account no.	Account Type: Saving/Current/ Others-In case of NRI/NRE/NRO	MICR Number	IFSC code

B. DEPOSITORY ACCOUNT(S) DETAILS

Depository Participant Name	Depository Name (NSDL/CDSL)	Beneficiary name	DP ID	Beneficiary ID (BO ID)

C. TRADING PREFERENCES *Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.

Exchanges		SIGNATURE
National Stock Exchange of India Ltd	Cash	
	Futures & Options	
Bombay Stock Exchange Limited	Cash	

If, in future, the client wants to trade on any new segment/new exchange, separate authorization/letter should be taken from the client by the stock broker.

Gross Annual Income Details (please specify):			
Below Rs 1 Lac	<input type="checkbox"/>	10-25 Lac	<input type="checkbox"/>
1-5 Lac	<input type="checkbox"/>	25 Lac-1 crore	<input type="checkbox"/>
		>1 Crore	<input type="checkbox"/>

D. PAST ACTIONS

- Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/constituent or its Partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years:

E. DEALINGS THROUGH SUB-BROKERS AND OTHER STOCK BROKERS

- If client is dealing through the sub-broker, provide the following details:
 Sub-broker's Name: _____ SEBI Registration Number _____
 Registered office address: _____ Ph _____ Fax.
 Website.
- Whether dealing with any other stock broker/sub-broker (if case dealing with multiple stock brokers/sub-brokers, provide details of all)
 Name of stock broker..... Name of Sub-Broker, if any
 Client Code:Exchange.
 Details of disputes/dues pending from/to such stock broker/sub- broker:

F. ADDITIONAL DETAILS

- Whether you wish to receive physical contract note or Electronic Contract Note (ECN) (please specify):
Specify your Email id, if applicable:
- Whether you wish to avail of the facility of internet trading/ wireless technology (please specify): _____
- Number of years of Investment/Trading Experience:
- In case of non-individuals, name, designation, PAN, UID, signature, residential address and photographs of persons authorized to deal in securities on behalf of company/firm/others:
- Any other information:

G. INTRODUCER DETAILS (optional)

Name of the Introducer:
(Surname) (Name) (Middle Name)
Status of the Introducer: Sub-broker/Remisier/Authorized Person/Existing Client/Others, please Specify.....
.....
Address and phone no. of the Introducer:
.....
Signature of the Introducer:

DECLARATION

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the contents of the document on policy and procedures of the stock broker and the tariff sheet.
3. I/We further confirm having read and understood the contents of the 'Rights and Obligations' document(s) and 'Risk Disclosure Document'. I/We do hereby agree to be bound by such provisions as outlined in these documents. I/We have also been informed that the standard set of documents has been displayed for Information on stock broker's designated website, if any.

Name _____

Place (.....)

Date

Signature of Client

TARIFF SHEET

Verifier's Name	Designation	Date	Place	Sign

BROKERAGE CHARGES :-

Brokerage		
Trxn Charges		
Stamp Duty		
Gst & STT		

Brokerage	Capital Market %	Derivatives Segment	
		%	Per Lot (Rs)
Trading			
Delivery			

Remarks :

Information :

- The brokerage will be charged on both sides for Delivery & non delivery transactions.
- Gst as applicable from time to time shall also be levied.
- All statutory & regulatory levies like Securities Transaction tax, SEBI Turnover fees, Transaction charges, Stamp Duty shall be levied as per the prevailing rates*.
- Brokerage at any point of time shall not exceed more than the maximum permissible limit as prescribed by SEBI / EXCHANGE.

Name _____

Place

Date -----

(.....-)
Signature of Client

FOR OFFICE USE ONLY

UCC Code allotted to the Client: -----

	Documents verified with Originals	Client Interviewed By	In-Person Verification done by
Name of the Employee			
Employee Code			
Designation of the employee			
Date			
Signature			

I / We undertake that we have made the client aware of 'Policy and Procedures', tariff sheet and all the non-mandatory documents. I/We have also made the client aware of 'Rights and Obligations' document (s), RDD and Guidance Note. I/We have given/sent him a copy of all the KYC documents. I/We undertake that any change in the 'Policy and Procedures', tariff sheet and all the non-mandatory documents would be duly intimated to the clients. I/We also undertake that any change in the 'Rights and Obligations' and RDD would be made available on my/our website, if any, for the information of the clients.

.....
Signature of the Authorised Signatory
(Seal/Stamp of the stock broker)

Date

INSTRUCTIONS/ CHECK LIST

1. Additional documents in case of trading in derivatives segments - illustrative list:

Copy of ITR Acknowledgement	Copy of Annual Accounts
In case of salary income - Salary Slip, Copy of Form 16	Net worth certificate
Copy of demat account holding statement.	Bank account statement for last 6 months
Any other relevant documents substantiating ownership of assets.	Self declaration with relevant supporting documents.

**In respect of other clients, documents as per risk management policy of the stock broker need to be provided by the client from time to time.*

2. Copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted.
3. Demat master or recent holding statement issued by DP bearing name of the client.
4. For individuals:
 - a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.
 - b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.
5. For non-individuals:
 - a. Form need to be initialized by all the authorized signatories.
 - b. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.

Mandatory

RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS (TO BE GIVEN BY THE TRADING MEMBER TO THE CLIENT)

This document contains important information on trading in Equities/Derivatives Segments of the stock exchanges. All prospective constituents should read this document before trading in Equities/Derivatives Segments of the Exchanges.

Stock exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges /SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned stock broker. The constituent shall be solely responsible for the consequences and no contract can be rescinded on that account. You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract being traded on Stock exchanges.

It must be clearly understood by you that your dealings on Stock exchanges through a stock broker shall be subject to your fulfilling certain formalities set out by the stock broker, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant Stock exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

Stock exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of Stock exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

Signature _____

1. BASIC RISKS:

1.1 Risk of Higher Volatility: Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in active securities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

1.2 Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater are the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

1.2.1 Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

1.3 Risk of Wider Spreads: Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

1.4 Risk-reducing orders: The placing of orders (e.g., "stop loss" orders, or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

1.4.1 A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

1.4.2 A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.

1.4.3 A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre -determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

Signature:_____

1.5 Risk of News Announcements: News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.

1.6 Risk of Rumors: Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

1.7 System Risk: High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

1.7.1 During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations

1.7.2 Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.

1.8 System/Network Congestion: Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

2. As far as Derivatives segments are concerned, please note and get yourself acquainted with the following additional features:-

2.1 Effect of "Leverage" or "Gearing": In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

Signature: _____

B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

2.2 Currency specific risks:

1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.

3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

2.3 Risk of Option holders:

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.

2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

2.4 Risks of Option Writers:

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.

Signature: _____

2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER

TECHNOLOGY:

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. GENERAL

4.1 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.

4.2 The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

Signature : _____

Date: _____

MANDATORY
RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS
as prescribed by SEBI and Stock Exchanges

1. The client shall invest/trade in those securities/contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker, sub-broker and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

CLIENT INFORMATION

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non- mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

Signature: _____

MARGINS

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

*****The broker shall collect margin as per the SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/ 28 dated Feb 25, 2020. Read with SEBI Circular NO.SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 and as per all applicable additional circulars issued by SEBI and Exchange in this regard**

TRANSACTIONS AND SETTLEMENTS

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Byelaws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued there under of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued there under.

Signature: _____

BROKERAGE

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

LIQUIDATION AND CLOSE OUT OF POSITION

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.
21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/ Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

DISPUTE RESOLUTION

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.
23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.
24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued hereunder as may be in force from time to time.
25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.
26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

TERMINATION OF RELATIONSHIP

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.
28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
29. In the event of demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.
31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

Signature: _____

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

ELECTRONIC CONTRACT NOTES (ECN)

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.

Signature: _____

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.

42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

LAW AND JURISDICTION

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.

44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.

45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.

46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.

47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

Sign_____

Date: _____

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT (All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol(IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.
11. **Marketplace Tech Infra Services Pvt. Ltd** shall, in no event be liable to **P H Financial Investment & Consultants Pvt. Ltd**, or to any third party for any loss, damage, loss of profits or for any other consequential damages, however caused and on any theory of liability".

Sign_____

Date: _____

Note that submission of this document is voluntary and you need not execute this document if you do not wish to

Use/ Avail this particular facility

P.H. FINANCIALS AND INVESTMENTS PVT LTD

JAISINGH BUSINESS CENTRE, 601, PLOT NO. CTS 119/120.
SAHAR ROAD, PARSIWADA, ANDHERI (E), MUMBAI – 400 099.

Dear Sir,

Consolidated Letter of Authority

In connection with the CAF submitted to you by me / us, I/we submit this Consolidated Letter of Authority to you acting as our intermediary to transact in the Equities and / or Derivatives segment (hereinafter referred to as ‘the Segments’) of The Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited (hereinafter referred to as ‘the Exchange’)

For Ease of Operations related to Trading in Securities. I/ we hereby authorize you as under:

1. I / We authorize you to modify, and delete orders into the Trading System of the Exchanges on my /our behalf for which instructions may be given to you through Internet Messenger /SMS / Verbal / Oral/ Written/ Telephonic.

2. I / We authorize you not provide me / us the Order Confirmation/ Modification/ Cancellation Slips and Trade Confirmation/Modification/ Cancellation Slips generated by the Trading System of the Segments of the Exchanges to avoid wastage of Time and unnecessary paperwork as I am / we are getting necessary Information from the Contract Notes issued by you.

3. I / We authorize you to effect Transfer of Funds available in Accounts, which we maintain with you for different Segments , whenever needed without my specific request to meet Funds Dues, Obligations, Margin Shortfalls etc.

4. I / We authorize to maintain my /our Account, both Funds , with you on an Open, Mutual and Current Running Account basis and request you to consider the Balances in Funds and Securities Account with you for the purpose of Various Margins and / or any other trade Obligations due to you. In view of the same, I / We authorize you to release the Funds due to me/ us upon Specific Request either Written or Oral. I / We agree that the Credit of Funds lying with you on my behalf would not attract any interest and / or Compensation.

I / We request you to settle my/our account on Monthly
 Quarterly basis (If the client does not select the checkbox, default option is quarterly)

4a. I / We reserve the right to revoke authorization at any time given to you as per paragraph 4 above to maintain Funds and Securities, Mutual and Current Running Account basis.

This Letter of Authority is given by me/ us without any Fear, Coercion and Undue Influence.

Client Name: _____

Signature X _____

Client Code: _____

Date: _____

Voluntary

AUTHORISATION FOR ELECTRONIC COMMUNICATION
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To,
P H FINANCIALS AND INVESTMENTS PVT LTD
JAISINGH BUSINESS CENTRE,
SAHAR ROAD, PARSIWADA,
ANDHERI- EAST,
MUMBAI-400 099.

I/We have been/ shall be dealing through you as my / our broker on the Capital Market and/ or Futures & Options Segments. As my/ our broker i.e. agent I/ We direct and authorize you to carry out trading/dealings on my/our behalf as per instructions given below.

I/We understand that, I/We have the option to receive the contract notes in physical form or electronic form. In pursuance of the same. I/We hereby opt for receipt of contract notes in physical form or electronic form, I/ We understand that for the above purpose, you are required to take from the client “ an appropriate email account” for you to send the Electronic Contract Notes/ Ledger A/c / Security Register / Collateral Register/ Margin File or any other documents as per SEBI / Stock exchange requirement. Accordingly, Please take the following email account(s) / email id on your record for sending the contract notes to me/us.

1. _____

2. _____

I/We also agree that non-receipt of bounced mail notification by you shall amount to delivery at my/our email account(s)/ email id(s).

I/We agree not to hold you responsible for late/ non-receipt of contract notes sent in electronic form and any other communication for any reason beyond your control including but not limited to failure of email services, loss of connectivity, email in transit etc..

I/We agree that the log reports of your dispatching software shall be a proof of dispatch of contract notes and any other such documents to me/us.

I/We understand that I am required to intimate any change in the email id / email account mentioned herein above needs to be communicated by me through a physical letter to you, provided however that if I/We am / are an internet client then in that.

Signature : _____

Client Name: _____

Voluntary

DISCLOSURE REGARDING PROPRIETARY TRADING BY MEMBER

As required under Circular No. SEBI/MRD/SE/Cir-32/2003/27/08 dated 27th August 2003 issued by the Securities and Exchange Board of India, we hereby disclose that in addition to client- based business, we are doing proprietary trading on NSE since 9th January 2007 .

For P H FINANCIALS AND INVESTMENTS PVT LTD

Authorised Signatory

I/ We have read the above disclosure & give my / our acceptance for the same

Sign _____

Name of the Client _____

Date _____

Place _____

INTERNAL CONTROL POLICY & PROCEDURE

Introduction

P H Financial & Investment Consultants Pvt Ltd., Stock Brokers (hereinafter referred to as the 'COMPANY') a body corporate, registered under the provisions of the Companies Act 1956, is a SEBI registered broker of the National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange of India Ltd. (BSE).

The company has adopted various policies & procedures for internal control measures & tools for compliance of various Acts, rules & regulations of the Exchanges.

A. CLIENT REGISTRATION POLICY

New account opening form containing Rights and obligation documents, Risk Disclosure Document, Guidance for DO's and Don'ts for trading on Exchange, Policies & Procedure must be signed by the client. The client may or may not sign the Voluntary documents.

The required documents should be collected from the clients strictly as per the documents mentioned in the checklist of the agreement book.

- Thorough checking by back office in charge including in-person verification, tallying the supporting documents with the original and interview of client.
- After Signature of the Director on KYC of the new Client Code is allotted
- Uploading the client details to the NSE/BSE/ KRA/ CKYC
- On receipt of Valid Report, accompanying the codes allocated to clients the same is intimated over telephone and Welcome Letter along with zerox copy of KYC along with documents received from the client is send to the client.
- The KRA duly filled with supporting documents is sent to KRA agency
- The KYC Filing of Client Registration Kit & updation of Index
- Periodical Review of financial data
- Deactivation of Client Code on receipt of written documents from Client.
- Intimation in writing to Client regarding deactivation of client code & reason thereof
- Financial capability of the clients is assessed depending on their turnover and is assessed at the end of each financial year. For this PHFIC ensures to update the financial information of the active clients. Financial statements for all corporate clients who are active are collected.

Apart from this the company review the delivery turnover of clients on monthly basis and acts on it as per their policy mentioned in their Prevention of Money Laundering Act (PMLA) Procedures.

Walk in Clients: The company has decided not entertain Walk In Clients. All clients / would be Clients are required to submit proper references or introducers.

Financial Documentation: All clients are required to submit updated financial data, namely, their Balance Sheet, Salary Income Certificate. In case of re-activation of UCC, the clients are also required to submit written request. Clients, specially operating in F&O Segment are compulsorily required to submit their latest financial position every year without fail.

Maker & Checker Concept: Once the data checking is done submitted by client and data entered in computer for uploading to master file & the Exchanges. Even after uploading of data, the compliance officer checks the data entered. All blank spaces in the KYC is crossed by the compliance officer, if found not crossed by the client.

Closure of Client Accounts/ Dormant Accounts: Clients accounts are closed either by client himself or action initiated by the company. On receipt of written request from the client, the compliance officer deactivates the client code in its front & back office. KYC form is marked closed only after proper verification of client's ledger account & clearance received from accounts department regarding dues & margin. Moreover written communication is also sent to client accompanying closure of his account. Client's accounts are also closed on action initiated by the company in the following cases:

- a. If client fails to meet his obligation within stipulated time or time provided by the company
- b. If clients fails to provide proper documents as required under SEBI rules & regulations even after repeated request by the company.
- c. If client is declared fugitive under any law in India or abroad.
- d. If client is declared insolvent under any law in India or any criminal cases are filed or pending and such information is not disclosed at the time of registration with the company

The company also mark all inoperative client account as 'dormant' till the same is closed or reactivated after written request is received from the client. UCC allotted to closed account is not used for any other new client.

B. TRADING POLICY:

Active Client master list should be uploaded in the NEAT/BOLT ON WEB trading terminal and all the orders from the clients should be checked for the client codes in the list. This will ensure minimal wrong code punching by the dealers.

Dealers should be vigilant in executing the orders of the client. They should check & report to senior authorities / Compliance Officer if any client is giving order of abnormal quantity or rates.

Every client should be contacted after the market hours for trade confirmation. The clients should be asked for the settlement of their obligation before settlement date of the exchange.

Every client must be attended by the staff allocated for the purpose and in his absence; compliance officer must ensure that client is attended by another dealer. Staff/ dealer should check the margin availability/credit limit of the client before executing any trade on his behalf.

No trades will be transferred to code other than entered in trading terminal after trading hours unless there is genuine mistake on part of the dealer of client mentioning the UCC at the time of placing the order. Transfer of code can be done only by the 'compliance officer' during the allowable time frame by the exchange on system provided by it.

This step will help us to trace any discrepancies in the trade as well as timely receipt of cheques and securities from the clients and provide better service.

Contract Notes, Daily Margin Statement, Quarterly Statements of Accounts and Register of Securities to Clients

1. All Contract Notes are physically/Digitally sent within 24 hours from the trading date.
2. In addition to Contract Notes Daily Margin Statement is dispatched to the clients within 24 hours. The clients are informed about their margin in the daily margin statement sent to them.
3. Contract Notes, Daily Margin Statements, Quarterly Statements of Accounts and Register of Securities are all sent to clients either in Physical Form or in Electronic method.
4. All the documents dispatched to the client can be easily retrieved from the software. Further backup of all documents sent is kept separately to avoid any type of inconvenience.

C. PAYMENT POLICY:

1. Payments to clients shall be made on Pay out basis i.e within 24 hours of pay out (T+1 day).
2. For clients who are desirous of keeping the pay out money with us as margin money can do so by submitting a letter to that effect mentioning therein not to issue cheques until a written request is made. However, such request at a time will be valid for one financial year only and/or until the same is being revoked by the client as the case may be.
3. For clients who are desirous of keeping the pay out money with us for future transactions can do so by submitting a letter to that effect mentioning therein to keep their account as 'running account' and periodical cheques may be paid or received. However, the clients are required to neutralize and settle their account once in every one/three months of first transaction.
4. Clients, who have debit balance in one segment and credit balance in other segment, will be paid only if their net balance is credit.

5 Margin Money to the clients will be returned only after adjusting debit balance, if any, in their account and/or if they have not defaulted in their obligation to deliver shares/securities.

D. RECEIPT POLICIES

1. Cheques from clients would be accepted only of those banks whose details have been provided during client registration.
2. No third party cheques would be accepted.
3. NO CASH PAYMENT IS ACCEPTED.
3. Clients are advised not deposit any cash/ directly to company's account. If cheque is deposited then intimation should be given in writing along with pay in slips otherwise credit will not given to client till proper documents are received from client.
- 4 . While receiving RTGS / NEFT from client it must be ensured that the same has been received from clients registered account only. Proper record of the UTR number should be maintained.

E. PRE-FUNDED INSTRUMENTS POLICY

If the aggregate value of Pre-funded instruments is Rs. 50,000/- (Rupees Fifty Thousand Only) or more, per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank. The mode of certification may include the following:

1. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
2. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
3. Certified copy of the passbook / bank statement for the account debited to issue the instrument.
4. Authentication of the bank account number debited and name of the account holder by the issuing bank on the reverse of the instrument.

We may maintain an audit trail of the funds received through electronic funds transfer to ensure that the funds are received from their clients only.

F. MARGIN POLICY

1. No trading will be entertained unless up front margin is received in advance for value of trade to be executed on behalf of any client.
2. Margin will be accepted in 'Cheque'/NEFT/Pledge Of Shares only unless management decides otherwise.
3. If margin is accepted in the form of shares, a haircut on and above 40% will be computed on the price at the day end. All short fall will have to be met immediately by the client in cash or before opening of next trading session, whichever is earlier. No letter or written communication in this regard will be sent to any client for shortage of margin. The client will be responsible for any shortage of his margin with us for his outstanding trades.
4. No complain will be entertained for squaring off of outstanding trades or liquidating of margin by the management in absence of short fall of margin at any stage by the client. It will be sole discretion of the management to decide on 'spot' whether to square off outstanding trades of a client and margin be liquidated to meet the short fall.
5. Any amount payable on account of 'Mart to market' has to be paid in cash by the client before opening of next trading session. Amount paid must be in the form of clear bank balance given on the day of trade. If clear balances of margin/ MTM are not available, the management will at its sole discretion square off the trades of any client, which in its opinion can put the company or its other clients to unnecessary market risk.
6. The company reserves the right to liquidate a client's position, if the client fails to maintain proper margin with the company. Further, company also reserves the right to liquidate/neutralize a client's position in extra ordinary fall or rise in market price sensitive index, which in the opinion of the company may have a bearing on the future survival of the company and its business.

G. INVESTOR REDRESSAL SYSTEM/ MECHANISM

1. The company has a separate manual register for recording all clients related complain either received personally or via post or via email.
2. The company has also designated email ID for sending complains by its investors or clients. The email Id has been disclosed in the KYC Kit sent to all clients at the time of registration as well as is mentioned on the contract note.
3. The company has also kept manual investors complain register at its HO/ branches and the same are verified by the compliance officer or its team of official from time to time.

4. On receiving the complain, the Compliance officer is authorized to dispose off the complain on its merit and write personally to the client of all action taken by him for satisfaction of the client.
5. If the compliance officer deserves the attention of the higher management or if the compliance officer is unable to dispose off complain to the satisfaction of the client or the exchange or the SEBI, the designated directors are informed of the situation by the compliance officer and all documents are placed before them within seven days of the receipt of the complain.
6. The designated director's review the pending complains every seven days along with matters needed their attention.

H. POLICY ON UNAUTHENTICATED NEWS CIRCULATION

1. Employees / Temporary Staffs / Voluntary Workers etc employed/working in our office shall not be encouraged or they shall not circulate rumors or unverified information obtained from client, industry, any trade or any other sources without verification.
2. Access to BLOGS / Chat Forums / Messenger sites etc. are either restricted under supervision of some responsible employees of the company or access shall not be allowed.
3. Logs for any usage of such BLOGS / Chat Forums / Messenger sites (called by any nomenclature) shall be treated as records and the same should be maintained as specified by the respective Regulations which govern our company.
4. Employees are directed that any market related news received by them either in their official mail / personal mail / Blog or in any other manner, should be forwarded only after the same has been seen and approved by the Compliance Officer of our Company. If any employee fails to do so he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions. The Compliance Officer shall also be held liable for breach of duty in this regard.

I. BACKUP POLICY

All important data backup is taken on daily basis. Backup is taken to prevent loss of data in the event of equipment failure or destruction.

P H Financials And Investments Pvt Ltd

ANTI MONEY LAUNDERING

POLICES AND PROCEDURES ADOPTED BY THE COMPANY

1) Policy Statement:

Our Corporate philosophy is not to get associated in any form with any violations in any country for any reason whatsoever, including anxiety for corporate profit or assisting a client.

2) Policy Objectives:

- To prevent criminal elements from using our business for money laundering or terrorist financing activities
- To understand the clients and their financial dealings better, which in turn would help us to manage the risk prudently
- To put in place appropriate controls for detection and reporting suspicious transactions in accordance with applicable laws/laid down procedures
- To comply with applicable laws and regulatory guidelines.

3) Key Elements of the Policy:

3.1 No Cash transactions: The Company will not enter into any cash transactions with clients for any reason whatsoever except in exceptional circumstances as permitted by the Rules, Regulations, Bye-laws, circulars of the Exchanges.

3.2 Client Due Diligence Process:

3.2.1. Principles to be followed:

3.2.1.1 Obtain sufficient information to identify persons who beneficially own or control securities accounts. Wherever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party should be identified using client identification and verification procedures. The beneficial owner is the natural person or persons on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

3.2.1.2 Verify the Client's identify using reliable, independent source documents, data or information.

3.2.1.2 A. The Company may rely on a third party for the purpose of (a) identification and verification of the identity of a client and (b) determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or



monitored for and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. It is clarified that despite such reliance, the Company shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

3.2.1.3. Conduct on-going due diligence and scrutiny to ensure that the transactions being conducted are consistent with our knowledge of the client, his business/risk profile, taking into account where necessary, the client's source of funds.

3.2.2. Client Acceptance Policy:

3.2.2.1. All employees have to ensure that the guidelines issued from time to time regarding Client/business acceptance is strictly followed. Existing/Past relationship with the client should be verified and it must be ensured that the client is not on the negative list/defaulters list.

3.2.2.1 A. Risk assessment shall be carried out to identify, assess and take effective measures to mitigate money laundering and terrorist financing risk with respect to the Company's clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml and <http://www.un.org/sc/committees/1988/list.shtml>). The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

3.2.2.2. A detailed search to be carried out to ensure that the Client is not in defaulters/negative list of regulators. (Search should invariably be carried out on SEBI website www.sebi.gov.in, Ministry of Corporate Affairs sponsored website www.watchoutinvestors.com and UN website at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml),

3.2.2.3. In case of a corporate, the antecedents of the Company (change of name and registered office in particular) and of all promoters and directors is to be traced. The details of the Directors can be verified from the web-site of the Ministry of Corporate Affairs.

3.2.2.4. In case of individuals they are to be classified into different categories of risk (low, medium, high) depending on the volume of transactions, trading turnover, manner of payment etc. High Net worth Individuals, Trusts, Charities, NGOs, companies with close family shareholding, Politically Exposed Persons, non-face to face clients, clients with dubious reputation, clients in high risk countries, etc constitute High Risk Category. In case of High Risk Category due care and caution should be exercised at the acceptance stage itself. The profile of such clients, particularly their contact details and financial status, has to be monitored and updated regularly.

3.2.2.5 Clients of Special Category (CSC): Such clients include the following:

- Nonresident clients;
- High net worth clients; (“High net worth clients” are clients with disclosed net worth of Rs. 10 Crores or more).
- Trust, Charities, NGOs and organizations receiving donations
- Companies having close family shareholdings or beneficial ownership
- Politically exposed persons (PEP) of foreign origin
- Current/Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, close advisors and companies in which such individuals have interest or significant influence);
- Companies offering foreign exchange offerings;
- Clients of high risk countries (where existence/effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, countries active in narcotics production, countries where corruption (as per transparency International Corruption Perception Index) is highly prevalent, countries against which government sanctions are applied, countries reputed to be any of the following – Havens/sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
- Non face to face clients
- Clients with dubious reputation as per information available in the public domain eg. clients in the willful defaulters / negative list of RBI/other regulators, clients debarred by SEBI/FMC/Exchanges, clients whose names are appearing on the website of watchoutinvestors.com, clients in the blacklist of government / UN agencies etc.

3.2.2.6. An assessment should be made of the financial worthiness of the client by obtaining appropriate declarations at KYC stage. This information should be subsequently used for monitoring whether the transactions of the clients are within the declared means and if the value of the transactions is increasing the client should be asked to disclose the sources of the increase in income.

3.2.2.7. A thorough assessment should be carried out to ascertain whether the client is dealing with us on his own behalf or someone else is the beneficial owner; for example while Mr. A may be our client as per the documents, Mr. B may be giving instructions all the time. If there are doubts, before acceptance of the clients, thorough due diligence should be carried out to establish the genuineness of the claims of the clients. Secrecy laws shall

not be allowed as a reason not to disclose true identity of the beneficiary/transacting party.

- 3.2.2.7** No Account should be opened in a fictitious name/benami name or on an anonymous basis.
- 3.2.2.8.** No Client should be accepted where it is not possible to ascertain the identity of the client, or the information provided is suspected to be non-genuine, or if there is perceived non-cooperation of the client in providing full and complete information.
- 3.2.2.9.** In the case of Clients who want to act through agent under Power of Attorney (POA), a notarised power of attorney should be obtained. Original of the POA should be verified. Care should be taken to ensure genuineness of the client.
- 3.2.2.10** While accepting FIs/Sub accounts as clients, reports in market/public knowledge regarding their investment behavior e.g. whether they allow their investment vehicle to be used by others; whether they issue underlying participatory notes should also be considered.
- 3.2.2.11** Know your client forms prescribed by SEBI/Stock Exchanges/Depositories, duly signed by the client and also witnessed should be obtained before acceptance of the clients.

3.3 Client Identification Policy:

- 3.3.1** Before opening the accounts, there should be a personal interaction with the client.
- 3.3.2** Before opening the accounts, in case of companies any one of the following viz. main promoter/Managing Directors/Whole time director/key management person and in the case of partnership any one of the active partners should be met in person.
- 3.3.3.** Caution is to be exercised when identifying companies which appear to be shell companies' or 'front companies'. Shell/front companies are legal entities which have no business substance in their own right but through which financial transactions may be conducted.
- 3.3.4.** In case of clients acting through Powers of Attorney, the Principal and agent should come in person for the first time. Photos of both to be obtained along with signatures on the photos. Valid proof of Identity and Address of the Attorney must be verified with the original and photocopies of the proof must be kept on record. The KYC form, Member Constituent Agreement and the Risk Disclosure Document must compulsorily be signed by the Client himself and not by the POA holder.
- 3.3.5** Original of valid Photo identity of individual/promoter/director to be verified by our official for identifying the client. Signature of the persons should be obtained on the

photos. Photocopy of the proof should be taken by our official who should also certify thereon about having verified with original.

3.3.6. In case of individuals, proof of identify (as prescribed by SEBI) should be produced by way of any of the following documents (un-expired original document shall be verified):

- PAN Card
- Passport
- Voter ID
- Driving License
- AADHAR Card

Photo copy of the proof should be taken by our official who should also certify thereon about having verified with the unexpired original.

3.3.7. Proof of address: Any of the following address proof to be obtained (un-expired Original should be verified)

- Passport (Not expired)
- Voter's ID Card (Complete Address with Pin code)
- Driving License (Complete address with Pin code and not expired)
- Ration Card (Complete address with Pin code)
- Flat Maintenance Bill with Society Registration number (not more than 2 months old)
- Landline Telephone Bill (not more than 2 months old)
- Electricity Bill (not more than 2 months old)
- Bank Account Statement (not more than 4 months old)
- AADHAR Card

3.3.8. In the case of joint account (for demat accounts), the above procedure should be carried out for all the persons who hold the joint account.

3.3.9 Where the client is a company, three certified copies of the following documents shall be obtained:

- Certificate of Incorporation
- Memorandum and Articles of Association
- Copies of the balance sheet for the last 2 financial years (Copies of annual balance sheet to be submitted every year)
- Copies of latest shareholding pattern, including list of all those holding more than 5 % in the share capital of the company, duly certified by the company secretary/whole time director/MD (Copy of updated shareholding pattern to be submitted every year)
- Copy of resolution form the Board of Directors approving participation in equity/ derivatives/debt trading and naming authorized persons for dealing in securities and power of attorney granted to its managers, officers or employees to transact on its behalf, and

- Photographs of whole time directors, individual promoters holding 5% or more, either directly or indirectly in the shareholding of the company and of persons authorized to deal in securities. Identification documents (identity and personal address) and signature verification as applicable to individuals must be obtained in respect of managers, officers or employees holding POA to transact on its behalf.
 - Copy of Aadhar Card of Directors/Authorised Person
- 3.3.10.** Care should be taken if the persons mentioned in the Memorandum and Articles of Association as promoters/first directors are different from the current promoters/directors. If the name/address of registered office has been changed, reasonable enquiries should be made.
- 3.3.11.** Proof of address (as in the case of individuals) of the registered office of the Company, being one of the relevant documents should also be taken.
- 3.3.12.** Where the client is a partnership firm, certified copies of the following documents shall be obtained:
- Registration certificate
 - Partnership deed and
 - Identification documents (identity and personal address) and signature verification as applicable to individuals must be obtained in respect of partners, managers, officers or employees holding POA to transact on its behalf.
 - Proof of address of the firm on the basis of relevant documents as applicable to individuals
 - Copy of Aadhar Card of Directors/Authorised Person
- 3.3.13.** Where the client is a trust, certified copies of the following documents shall be obtained:
- Registration certificate
 - Trust deed and
 - Proof of identity and address and signature verification of the trustees as applicable to individuals.
 - Copy of Aadhar Card of Directors/Authorised Person
- 3.3.14** In the case of broking transactions, care should be taken to ensure that the orders are placed by the client and not by others on behalf of the client. If the client proposes to authorize another person to place orders on his/her behalf, a properly executed irrevocable Power of Attorney/Letter of Authority should be obtained and the person who will be placing orders shall also be identified using the above procedure. Periodical Statement of accounts should be sent to the client (and not POA holder) at his/her address mentioning that if he/she does not respond within 30 days of date of receipt of the letter, the contents shall be taken as accepted and confirmed.

3.3.15. After opening broking/DP accounts and/or registering a POA or making any modifications in the Client profile, a letter of thanks should be sent by courier/registered post /speed post, at the recorded address of the client. This will serve the dual purpose of thanking them for opening the account or updating their profile, as the case may be, and also help in verification of genuineness of address provided by the account holder. Transactions should not be allowed if the mail comes back undelivered. The undelivered envelope should be retained with the KYC papers for further inquiries, if necessary.

3.3.16. Financial standing of the client: The financial standing of the client must be ascertained from one or more of the following documents submitted by the client (self-attested):

- Acknowledgement Copy along with IT return.
- Acknowledgement Copy along with Wealth tax return
- Latest Balance Sheet Certified by CA
- Net worth Certificate from CA
- Bank Pass book/bank statement (not more than 4 months old)
- Demat statement (not more than 4 months old)
- Form 16
- Salary slip
- Copy of Aadhar Card

Photo copy of the proof should be taken by our official who should also certify thereon about having verified with the original.

Clients wishing to trade in the derivatives segment must invariably meet the minimum Income and/or minimum Net worth criteria as laid down by the company from time to time.

It must be ascertained that the income and net worth of the client is derived only from legitimate employment, profession or business activities and legal sources.

4) Monitoring of transactions:

- 4.1.** All the high risk client accounts should be monitored at least once in a calendar quarter and any exceptions need to be reported to the management and to the Principal Officer.
- 4.2.** If any transaction appears to be suspicious it is to be reported to the Principal Officer immediately.
- 4.3.** For identifying the suspicious transactions, the following illustrative questions may be considered:

- Is the client willing to accept uneconomic terms without apparent reason?
- Is the transaction inconsistent with legitimate business activity?
- Is the transaction inconsistent with the normal pattern of the client's investment activity?
- Is the transaction inconsistent with the client's account-opening documents?
- Has the client requested that the transaction be cleared in a way that is inconsistent with normal practice?
- Is the client financially capable of the transactions he has asked for?
- Clients whose identity verification seems difficult or clients who appear not to cooperate may be declined.
- Large number of accounts having common parameters such as common partners /directors/promoters/address/email addresses/telephone numbers/introducers or authorized signatories.
- Transactions with no apparent economic or business rationale
- Sudden activity in dormant accounts;
- Source of funds are doubtful or there is inconsistency in payment pattern;
- Transfer of investment proceeds to apparently unrelated third parties;
- Multiple transactions of value just below the threshold limit specified in PMLA so as to avoid possible reporting;
- Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions.
- Clients making large transfers to a third party through off market transactions through DP Accounts;
- Purchases made on own account transferred to a third party through off market transactions DP Accounts;
- Suspicious off market transactions;
- Large deals at prices away from the market;
- Accounts based as 'passed through'. Where no transfer of ownership of securities or trading has occurred in the account and the account is being used only for funds transfers/layering purposes.
- Trading activity in account of high risk clients based on their profile, business pattern and industry segment.

- 4.4** Caution should be exercised if broking/DP accounts have been in- operative for more than Six (6) months and activity resumes thereafter.
- 4.5** Care should also be taken if the clients make high value payments (Rs 10 lakhs and above) from bank accounts not declared to us in the Client Registration/KYC forms, or when they make payments through Demand Drafts and not cheques drawn on their declared bank accounts. The details of such transactions should be noted in a separate register.
- 4.6** Caution should be exercised if there is any high quantity/value off-market transaction in DP accounts. Caution should also be exercised if large credits in a broking account are advised to be transferred to any broking account with us.

- 4.7 The Principal Officer shall undertake random checks as to the nature of the transactions and if they are suspicious transactions.

5) Maintenance of records/ RETENTION OF THE RECORDS:

- 5.1 Records pertaining to transactions of clients shall be maintained and preserved for a period of five years from the date of the transaction. Record of documents evidencing the identity of the clients and beneficial owners (e.g., copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship with the client has ended or the account has been closed, whichever is later. Record of information related to transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 of the PML Rules, shall be maintained and preserved for a period of five years from the date of the transaction with the client.
- 5.2 In the case of transactions where any investigations by any authority has been commenced and in the case of transactions which have been the subject of suspicious transactions reporting all the records shall be maintained till the authority informs of closure of the case.

6) Risk Based Approach:

It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. We have adopted an enhanced client due diligence process for higher risk categories of clients, containing verifying income details, in person interview by official, revised income pattern. Conversely, a simplified client due diligence process adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client. In order to tackle debarred entities, we shall also implement the policy to our Back Office Software for debarred entities in respect of the whom the Central/ State Government or any authority or the Exchange/ Depository has issued any advisory/notification

7) Principal Officer:

The company has Compliance officer and Principal Officer who shall be responsible for implementation and compliance of this policy. The duties of the Compliance Officer shall include the following:

- Monitoring the implementation of Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy
- Reporting of Transactions and sharing of information as required under the law
- Liasoning with law enforcement agencies.
- Ensuring submission of periodical reports to Top Management. The report shall mention if any suspicious transactions are being looked into by the respective business groups and if any reporting is to be made to the authorities.

- Providing clarifications to staff members on the provisions of the Act, Rules,

8) Designated Director

“Designated Director” means a person designated by the Board of Directors to ensure overall compliance with the obligations imposed under The Prevention of Money Laundering Act, 2002 and the Rules framed there under, as amended from time to time, and include the Managing Director or a Whole-time Director

duly authorized by the Board of Directors. The Company shall appoint a Designated Director and communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND and update the same whenever there is any change.

9) Staff Awareness and training

Staff who deal directly with the public are the first point of contact with potential money launderers. Their efforts are therefore vital to the reporting system for such transactions. Staff should keep abreast of the practices to identify suspicious transactions and on the procedure to be adopted when a transaction is deemed to be suspicious. In short, employees must familiarize themselves with their clients' normal trading activities and usual market practices in order to recognize anomalous behavior. Suspicions concerning the source of assets or the nature of a transaction should not be ignored. It is the active responsibility of every person in the company to seek to ensure that the company's facility is not being misused.

Staff should not disclose to the client concerned nor to other third persons that their transactions are deemed suspicious or if information may be transmitted to the authorities.

10) Hiring of Employees

The company shall have adequate screening procedures in place to ensure high standards when recruiting employees. They shall identify the key positions within the organization structure and ensure that the employees taking up such key positions are suitable and competent to perform their duties.

11) Investor Education

Implementation of the measures outlined herein may require us to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. Staff/Authorised Persons must, therefore, sensitize clients about these requirements as the ones emanating from Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) framework. Specific literature/pamphlets etc may also be prepared so as to educate the client of the objectives of the AML/CFT programme.

12) E-KYC

Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002 by Entities in the securities market for Resident Investors Circular # SEBI/HO/MIRSD/DOP/CIR/P/2019/123 November 05, 2019 Entities in the securities market, as may be notified by the Central Government, shall be allowed to undertake Aadhaar Authentication under section 11A of the PMLA. SEBI Registered intermediaries for reasons such as online on-boarding of clients, Customer convenience, increased efficiency and reduced time for client onboarding would prefer to use Aadhaar based e-KYC facility to complete the KYC of the client. These entities would be registered with UIDAI as KYC user agency (“KUA”) and shall allow all the SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication of their clients for the purpose of KYC through them. For detailed procedure SEBI Circular # SEBI/HO/MIRSD/DOP/CIR/P/2019/123 November 05, 2019, should be referred.

13) Review of Policy

The Company will be reviewing the PMLA policy every year.

Policy on Treatment of Inactive Accounts:

The policy is amended keeping in view NSE Exchange Circular no NSE/INSP/49743 Dated 27/09/2021.

Any client who has not traded for last 365 days (Twelve months) in any segment of any Exchange with P H Financials And Investments Pvt Ltd will be marked inactive in the back office as well as in the UCC atabase across all exchanges. Till the time the code is activated it shall be kept in dormant mode.

The codes marked as inactive /dormant shall be reactivated only after receipt of fresh documentation and due diligence. IPV shall be undertaken only when client seeks reactivation after a period of 1 year of being flagged as inactive ie 2 years from their last trading days

No communication shall be sent to the client in order to prevent accounts being flagged inactive.

After the client code is made inactive his/her /its funds if any available with P H Financials And Investments Pvt Ltd shall be settled at the end of the month/ quarter in which his/her/its account is made inactive.

P H Financials And Investments Pvt Ltd
SURVEILLANCE POLICY

Surveillance policy dated 05/12/2020 , is being reviewed and updated keeping in view Exchange circular no NSE/SURV/48818 dated 01/07/2021 and CDSL Communiqué no CDSL/OPS/DP/SYSTEM/2021/309 dated 15/07/2021.

A. Background

We along with our Employees are the first touch point in the securities market for investors and are expected to have reasonably fair understanding about client(s) and its trading activity. Thus, Exchanges/regulators have trusted on us the first level of the responsibility by processing of transactional alerts provided by the exchange/depository as well as generation of own surveillance alerts at our end to ensure that neither we , nor any of our client(s) are misusing the trading system by indulging in manipulation or any other illegal activities which can cause risk to the integrity of the market and distort the equilibrium of the market.

B. Objective of framing surveillance policy

- Generation of suitable surveillance alerts guided by the indicative themes provided by the exchanges. The indicative themes provided by the exchanges are inclusive and not exhaustive.
- Transactional alerts provided by the exchanges
- Fixing of threshold limits/parameters for alerts and the rationale for the same.
- Obligations regarding client due diligence
- Obligation with respect to processing of alerts
- Obligation regarding quarterly reporting
- Processing of alerts within 45 days from the date of alerts downloaded by the exchanges/depository as well as alerts generated at our end.
- Documentation of reasons for any delay in disposition of any alerts
- System for identifying suspicious/manipulative activity and reporting the same to the respective authorities

- Maintenance of records for the period as stipulated under the applicable statutes.

Surveillance framework :

With respect to the transactional alerts being downloaded from the Exchange/ Exchanges /generated by the software, the following activities will be carried based on UCC parameters:

Alerts generated there upon to be co-related with the client(s) transaction data/information available in the our back office system. Due Diligence of client(s) will be carried out on a continuous basis for monitoring/detection of suspicious/manipulative transaction.

Other activities are mentioned as under:

1. Unusual trading activity:

Client(s)/Group of Client(s) who have been dealing in small quantities/value significantly increase their activity over a period of time say fortnight/month/quarter and the increases is beyond the threshold limit of more than 50% as compared to the earlier period of same duration. The alerts so generated should be disposed off after considering;

- a) Whether such volume is justified given the background of the client and his past trading activity.
- b) Amount of funds that was brought in by the Client(s)/Group of Client(s) for the purchases made during the period.
- c) Whether such inflow of funds is in line with the financial status of the client.
- d) Whether the transactions of such Client(s)/Group of Client(s) are contributing to concentration or impacting the price and or volumes.

2. Sudden trading activity in dormant accounts:

An inactive client starts/resumes trading and additionally the client start trading in illiquid stocks or low market capitalized scrip or enters into huge transactions not commensurate with the financial strength of the client, The alerts so generated should be disposed off after considering :

- a. Reasons for trading in such scrip/contracts.
- b. Whether there is any concerted attempt by a Client(s)/Group of Client(s) to impact the prices.
- c. Whether there is any concerted attempt by a Client(s)/Group of Client(s) to indulge in movement of profit/loss from one client to another account.

3. Clients/Group of Client(s), deal in common scrip/contracts contributing significant increase in the volume of the scrip/contract at the trading member level and at the stock exchange level.

The alerts so generated should be disposed off after considering;

- a. Reasons for trading in such scrip/contracts.
- b. Whether there is any concerted attempt to impact the prices.
- c. Whether there is any concerted attempt to indulge in movement of profit/loss from one client to another.

4. Activity of Client(s)/Group of Client(s) is concentrated in a few illiquid scrips/contracts or there is a sudden activity by Client(s)/Group of Client(s) in illiquid securities/contracts , there by leading to increase in volume as compared to the volume of the exchange or that of the trading member:

Alerts so generated should be disposed off after considering

- a. Reasons for trading in such scrips/contracts.
- b. Whether there is any concerted attempt to impact the prices.
- c. Whether there is any concerted attempt to indulge in movement of profit/loss from one client to another.

5. Client(s)/Group of Client(s) dealing frequently in small quantities/minimum market lot in a scrip/contract.

Alerts so generated shall be disposed off after considering

- a. Reasons for such trading behavior.
- b. Trading pattern and repeated instances.

6. Trading in the illiquid shares as per list provided by the exchange

The alerts so generated should be disposed off after considering

- a. Whether there is sudden trading in the scrip
- b. Whether there is any concerted attempt to impact the prices of such shares
- c. Whether there is any concerted attempt to indulge in movement of profit/loss from one client to another.
- d. Probable matching of transactions with another client.
- e. Apparent loss booking transactions in illiquid shares
- f. Whether the transactions are contributing to concentration or impacting the price.

7. Circular Trading:

The alerts so generated should be disposed off after considering

- a. Continuous trading of client/group of clients in particular scrip over a period of time.
- b. Client/group of clients contributing significant increase in volume (broker and exchange level) in a particular scrip – especially illiquid scrip and /or illiquid contracts
- c. Possible matching of trades with a specific group of clients, Possible reversal of trades with the same group of clients

8. Pump and Dump:

Alerts so generated should be disposed off after considering

- a. Concentrated activity in illiquid scrips.
- b. Sudden activity in illiquid securities.
- c. Volume of transaction to total market volume in the particular scrip is high.

- d. Trades being executed at prices significantly away from the market and later on squaring-off to earn significant profits.

9. Wash Sales or Reversal of Trades:

Alerts so generated should be disposed off after considering

- a. Same Client on both sides of the transaction.
- b. Reversal of transactions by same Client(s) or within same Group of Client(s) at significantly different trade prices within a short period of time says 3-4 days.
- c. One client makes significant profit and other suffers a loss or apparently looks like loss booking transactions in illiquid contract/securities including options.

10. Front Running:

Alerts so generated should be disposed of after considering

- a. Trading, by Client employees, ahead of large buy/sell transactions and subsequent square off has to be identified and such transactions have to be reviewed for determining front running.
- b. There is a consistent pattern of Client employees trading ahead of large buy/sell transactions.

11. Concentrated position in the Open Interest/high turnover concentration forming part of 'For Information list' or 'Current watch list'

Alerts so generated should be disposed of after considering

- a. Client having significant position in the total open interest of a particular scrip.
- b. Client not reducing/closing their positions in spite of the scrip being in ban period.
- c. Client trading accounts for a significant percentage of the total trading in the contract/securities at member and exchange level.
- d. The trading pattern of Client(s) who have Open Interest positions/concentration greater than equal to the thresholds prescribed.
- e. Ref to exchange circular no. NSE/INVG/45517 dated 30/08/2020

12. Order book spoofing i.e. placing large orders significantly away from prevailing market price:

Alerts so generated should be disposed off after considering

- a. Consistent placement of large orders significantly away from the prevailing market price wherein trade to order trade ratio is very low or canceling orders within seconds after placing them there by creating a false impression of depth in a particular scrip/contract.
- b. Repeated pattern of placement of large buy orders which are away from the prevailing market price and simultaneous placement of sell orders to benefit from price rise or vice-versa.

Reports as mentioned here under should be generated and reviewed in case of off line trades:

1) Report on delivery above Rs.5,00,000 & above Rs.25,00,000 – in all segments of equities:

Placement of large orders with the delivery turnover contributing in value terms above Rs. 5,00,000 and trading turnover in terms of value above Rs.2,50,000/- for all segments .

- In case if the name of any new client appears in this report and / or the name of the client comes again in the report after a period of 15 days to one month, then appropriate due diligence should be undertaken

2) Excess CASH Volume (more than 5% of market volume) (equity segment) Trades in equity segment contributing to more than 5% of the exchange volume:

- a) The records so generated are analysed vis-a-vis exchange volume, repeated days of the trading and price volatility, company financials etc.
- b) In case of any repeated days of trading, contributing to significant exchange volumes and or price volatility or concentrated trading among selective group of client is observed, then in such instances after analysis appropriate steps to be taken.

3) F&O Profit/Loss & Futures Rate Fluctuation (equity derivatives):

Trades in equity derivatives for the above referred parameter which are generated in case of clients executing trades at price above 20% of the previous closing price and or incurring huge profits or losses .

- Alerts so generated should be evaluated and in case of any un-usual pattern, clarification from the client/or branch should be sought.

4) F&O Excess Volume (more than 5% of market volume) (equity derivatives):

Trades in derivatives are generated in cases where trades are more than 5% of market volumes

- a) For the alerts so generated under this alert are evaluated visa-vis the strike price, maturity date of the contract, type of derivative contract, underlying etc
- b) In case if the name of any new client appears in this report and / or the name of the client comes again in the report after a period of 15 days to one month, then appropriate due diligence should be undertaken.
- c) Thereafter RMS team does the trade/ledger confirmation with the end client and accordingly updates the compliance team.

5) Matching of Trades – all segments (equities):

The trades which get matched (applicable for all segments) at member level and or at client level. The alerts so generated, appropriate comparison should be done to ascertain whether they have been carried out from the same trading terminal or same location or for group of same family codes.

In case of illiquid scrip/contracts or significant volumes or price volatility observed, proper explanation should be sought and or adequate warning should be issued to the client.

Alerts as mentioned here under should be generated and reviewed in case of online trades :

Alerts generated as mentioned herein below should be analyzed keeping in view the financials of the client, repetitive nature of the instances, volumes and or price volatility. These alerts should be monitored by the RMS on real time basis and in case of any

suspicious nature, appropriate reasons should be sought from the branch/franchisee/clients. Few of the indicative themes for generation of alerts are mentioned herein below

- ❖ **Online Trade Matching Popup:** In this module all the trades that get matched can be viewed and thereafter further verification and/or analysis should be done.
- 1) **Online Delivery Tracker:** This report provides alerts of the clients who have taken delivery of Rs. 5 lacs and more in value terms or 10000 or more in quantity terms (Limit should be reviewed from time to time).
- 2) **Online Ban Scrip Position Tracker:** This report provides alerts in case client taking position in “Ban” security, .
- 3) **Unregistered/Inactive Client Trade:** This report provides alerts in case of client being inactive as per our back-office software or not registered, in spite of which he has undertaken trade,
- 4) **Spurt in volume:** This report provide the alerts in which there is sudden increase in volume in comparison with two weeks average exchange volume.

Over and above the indicative themes mentioned here in above, following themes should also be considered for generation and monitoring of alerts:

- A) Disproportionate trading activity v/s reported income/net-worth
- B) Frequent changes in KYC submitted by the clients
- C) Identification of clients /group of clients , having possible direct /indirect connection with a listed company , who have undertaken any suspicious trading activity prior to announcement by the listed company
- D) Consistency in profit /loss at client /group of clients’ levels, rational for such trading activities (Ref for details Exchange circular NO NSE/INVG/2019/40175 dated 07/02/2019
- E) Significant trading activity in scrip by client who has pledged the shares of same scrip, or has significant holding or has frequent off market transactions

- F) Trading activity of client or a group of clients in a scrip, monitoring whether the orders are being placed by respective clients or their authorized representatives and monitoring of client's address as per KYC vis-a-vis the dealing office address
- G) Surveillance / monitoring of IP addresses of clients (including identification of multiple client codes trading from the same location)
- H) Frequent instances of payment by Client(s)/Group of Client(s) in the form of cash equivalents like Demand Draft, Pay order etc.
- I) When residential or business telephone number has been disconnected or there is no such number when an attempt is made to contact client or documents sent at its email/residential/business address returned undelivered.

Having multiple accounts with the Trading Member and using different trading accounts alternatively

Themes mentioned here in above are only indicative & are not exhaustive, the risk department and compliance department based on the situations / circumstances are required to exercise their own independent judgment and initiate appropriate surveillance there off.

Graded Market Surveillance (GSM)

NSE vide its circular NSE/SURV/34262 dated February 23, 2017 and BSE vide its circular 20170223-44 dated February 23 2017 introduced Graded Market Surveillance (GSM) as introduced by equity exchanges, on securities which witness an abnormal price rise not commensurate with financial health and fundamentals like Earnings, Book value, Fixed assets, Net-worth, P/E multiple, etc.

In addition to existing Surveillance action being imposed from time to time, securities shall be monitored for price movement by equity exchanges and based on pre-determined objective criteria shall attract following additional graded surveillance measures:

Stage	Surveillance Actions
I	Transfer to trade for trade with price band of 5 % or lower as applicable.
II	Trade for trade with price band of 5 % or lower as applicable and Additional Surveillance Deposit (ASD) of 100% of trade value to be collected from Buyer
III	Trading permitted once a week trading and ASD 100% of trade value to be deposited by the buyers (Every Monday)
IV	Trading permitted once a week trading with ASD 200% of trade value to be deposited by the buyers (Every Monday)
V	Trading permitted once a month trading with ASD 200% of trade value to be deposited by the buyers (First Monday of the month)

VI	Trading permitted once a month with no upward movement in price of the security with ASD 200% of trade value to be deposited by the buyers (First Monday of the month)
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In view of the above trading done in such shortlisted securities are analyzed and:

1. The records so generated are compared visa vis. exchange volumes, repeated days of trading, price volatility in the scrip.
2. Additionally the financials of the company are also analyzed to ascertain whether the trading volumes and price movements are justified.
3. In case any trading is found to be abnormal, initial alerts are sent to the branches. If repeated, after proper verification and analysis the scrip may also is blocked from further trading.

In case of any further regulatory developments, the same would be implemented in scrip and accordingly deemed to be part of this policy.

Additional Surveillance Measure (ASM)

NSE vide its circular SE/SURV/37262 dated March 22 2018 and BSE vide its circular 20180321-46 dated March 21 2018 had informed that Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors have decided that along with other measures there shall be Additional Surveillance Measures (ASM) on securities with surveillance concerns viz. Price variation, volatility etc.

Accordingly, exchanges would review identification of securities for placing in ASM Framework has been carried out. In addition to this, exchanges have issued other circulars from time to time reviewing the parameters for the ASM framework and accordingly updating the scrips in the said framework.

In view of the above, financials of the company are analyzed to ascertain whether the trading volumes and price movements are justified. In case of any trading is found to be abnormal, initial alerts are sent to the branches. If repeated, after proper verification and analysis the scrip may also be blocked from further trading.

ADDITIONAL MONITORING

1. Not allowing trades of entities which are banned by SEBI/Exchange/other regulators. (should be verified by the KYC team before client account is activated).
2. Trading and activation of demat account should be allowed to commence only after execution of the client registration form and all the mandatory Unique Client Code (UCC) parameters such as Name, Address, PAN No. Mobile no, email & Income details are obtained and uploaded to respective authorities.
3. Clients having continuous debit balance in their ledgers for a certain period of time or have defaulted in making payment/delivery. Should be monitored by RMS team and appropriate follow up should be undertaken with the clients/branches/AP and may also restricts them from further trading.

Analysis

In order to analyze the trading activity of the Clients according to the scrip identified based on above alerts, following activities should be undertaken-

1. Shortlist Client for further analysis.
2. Seek explanation from such identified Client
3. Seek documentary evidence such as bank statement/demat transaction statements of last 6 months to 12 months period, .
4. On the basis of information received from the client and after proper evaluation and analysis, decision should taken for closure of the alert or for further reporting .

Reporting

In cases of alerts generated at our end all action/analysis should be completed and in case of any adverse observation the same should be reported to the exchange within 45 days Alerts generated by the exchanges should be analysed and the status thereof (Verified and closed/verified and sent to the respective exchanges) including action takenis updated within 45 days in the exchange portal.

The surveillance policy should be approved by the Directors:

Daily reporting of the alerts generated should be provided to the designated directors and principal officer. Quarterly MIS should be provided to the Directors containing number of alerts received during the quarter , disposed off during the quarter and pending at the end of the quarter . Reasons for pendency should bediscussed and appropriate action should be initiated for disposing of the pending alerts.

The surveillance process to be conducted under overall supervision of Compliance Officer/Principal Officer. Principal Officer under the PMLA directives/ Compliance Officer of the Company and their team would be responsible for all surveillance activities carried out for the record maintenance and reporting of such activities under the supervision of the Designated Directors. Internal auditor shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.

This policy would be made available to the internal auditors and regulators during the course of audits or as and when demanded.

The member shall provide the required data of approved status of the alerts on quarterly basis in the format prescribed by the regulators to the exchange within 15 days from the end of the quarter. In case of no generation of alerts, then also nil report to be submitted. The policy should be periodically reviewed in order to test its effectiveness.

Acknowledgement

To,
P H FINANCIALS AND INVESTMENTS PVT LTD
6th Floor, Jaisingh Business Centre,
Sahar Road, Parsiwada, Andheri-East, Mumbai-400099.

Date :

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Dear Sir / Madam,

With reference to our application for opening a Trading account, we acknowledge the receipt of copy of the document,

- 1) **“RIGHTS AND OBLIGATIONS , Dos and Don'ts & RDD OF STOCK BROKERS, SUB-BROKERS AND CLIENTS as prescribed by SEBI and Stock Exchanges”**

- 2) **COPY OF KYC RECEIVED ,**

Thanking you,

Signature _____

Name : _____