



Various Policies and procedures of “Orion Stocks Limited”

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Member:

1. National Stock Exchange of India Ltd.: SEBI REG No.: INB/F231360935, Clg. No.: 13609
2. BSE Ltd.: SEBI REG No.: INB/F011360931, Clg. No.: 6373

Policy created by	Internal Auditors
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Policy approved by	Board of Directors in their meeting held on
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Objective:

The objective of the policy is to appropriately deal with the day to day working of the stock market and the smooth running of business in friendly environment. The main objective of the policies is that the stock market business is running within the ambit of the compliances and the rules and regulation of the exchanges and SEBI without contravening the objective of the business.

Policy communication:

A copy of this policy shall be made available to all the relevant staff/persons such as: compliance officer / department in-charge of registration of clients and sub-broker /authorized persons.

Further, a copy of this policy has to be displayed on our intranet.

Disclaimer: Members are requested to make this policy more Comprehensive based on their business requirements and not to treat this as the full and final policy.

Detail of various policies

1. CLIENT CODE MODIFICATION AND ERROR CODE POLICY
2. POLICY ON PRE-FUNDED INSTRUMENTS/ELECTRONIC FUND TRANSFER
3. RISK MANAGEMENT & SURVEILLANCE POLICY
4. POLICY REGARDING TREATMENT OF DORMANT/INACTIVE ACCOUNTS
5. INTERNAL CONTROL AND CODE OF BUSINESS CONDUCT AND ETHICS

1. CLIENT CODE MODIFICATION AND ERROR CODE POLICY

Client Code Modification is a massive problem of the organization. The main objective of the company to framed a policy for modification of client code for post trade execution and takes the report on such modification of client codes. Further educate the dealers and create awareness among them about this policy.

Brief criteria about Client code Modification:

Client code modification means modification of client code after the execution of trade. The stock exchange provides a facility to modify the client code to rectify an error. Further only the genuine errors will be modify and after being transferred to '**Error Account**'. The modification should be done within the Stock Exchange guidelines. The modification of client code is to be done only in exceptional cases and not in routine case.

Details about Genuine error

The following trades shall be modify/allowed to be modified, shall be treated as genuine error and transferred to Error Account.

- I. Punching error/typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.
- II. Trade entered for wrong client due to any miscommunication from the client /authorized representative of the client.
- III. Client code/name and modified client code/name are similar to each other but such Modifications are not repetitive.
- IV. Family Code (spouse, dependent parents, dependent children and HUF)
- V. Institutional trades modified to broker error/pro account.

Example of Genuine Error

The criteria for determining the genuineness of client code modification are as follows: Client code FA 1234 wrongly entered MN5678 would be constructed as intentionally committed whereas FA1234 entered as AF 1234 or FA 2341 may be a genuine punching error.

The Board and Management Directives

The Board and Management have approved under mention policy in this regard and instruct all the office bearers to follow it strictly.

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 - (a) To control the punching error, it has been decided that client code mapping will be restricted in trading terminals.
 - (b) To create a separate error account in the name of "**Orion Stocks Limited**" as per the exchange circular.
 - (c) To maintain Client Modification registers for recording and controlling the errors.

- (d) To review periodically list of inactive clients for marking in CTCL Surveillance System.
- II. Dealers are advised to hear patiently the client code /scrip name and reconfirm the same to their best possible efforts before placing order into the system.
 - III Department head/ compliance officer are advice to analyses the mistake and to take/implement corrective measures to their best possible efforts to minimize.
 - IV Department Head/ Compliance officer are advice to update the report to the Board / Management on the implementation of the said policy periodically.

Reporting System

Client code modification issues should be reported to the Key Personnel's and can be done only after getting approval after knowing it's genuinely as per exchange directives. Any client code modification shall be subjected to this policy be carried at Head Office of the company. The company review every day the Error Account file send by the Exchange. Separate register to be maintained by the company for above purpose where full details will be recorded.

Reference to the Circular

SEBI – Circulars No. – CIR/DNPD/6/2011 dated January 01, 2011
Circulars No. – CIR/DNPD/01/2011 dated July 05, 2011
NSE – Circular No. - NSE/INVG/2011/596 dated February 17, 2011
Circular No.- NSE/INVG/2011/18484 dated July 29, 2011
Circular No. - NSE /INVG/2011/870 dated August 26, 2011.

2. POLICY ON PRE-FUNDED INSTRUMENTS/ELECTRONIC FUND TRANSFER

With reference to NSE Circular No. NSE/INSP/2011/118 dated June 9, 2011 on the drafted policy on Pre-funded Instrument/Electronic Fund Transfer which has been approved by Board /Management/ key Personnel's are given hereunder:

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client is being received, the company has instructed its office bearers to check properly the pre funded instruments/electronic fund transfer received from clients before depositing the same into bank.

1. If on checking, the instrument is identified as Pay Order/DD, then a suitable reason/clarification is required to be obtained from the client.
2. The details of the instrument must be tallied with the detail provided by the clients in KYC before entering into back office software.
3. In case of mismatch is identified; it should be reported to department head/management/ key personnel's for taking appropriate action.
4. Clients who make the payment through pre-fund instrument will be advised to avoid it or not to use this route by educating them the Exchange and PMLA rules & byelaws in this regard.
5. Payment received through Electronic Fund Transfer have to be properly check with the detail available in bank statement like payee account no, payee name etc. and in case of non – availability of the detail in bank statement then it will be asked from the client to confirm the payment detail through e-mail or SMS.
6. In addition to above circulars, issued by Exchange from time to time has to be followed for proper compliance on this matter.
7. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
8. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
9. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
10. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument. We also maintain an audit trail of the funds received through electronic fund transfers to ensure that the funds are received from their clients only

3. RISK MANAGEMENT & SURVEILLANCE POLICY

CASH & F&O SEGMENT

Risk based approach:-

Classification of both the new and existing clients into high, medium or low risk category depending on parameters such as the customer's background, type of business relationship, transactions etc. Application of each of the clients due diligence measures on a risk sensitive basis and adoption of an enhanced customer due diligence process for high risk categories of customers and vice-á-versa.

Limit Setting:-

Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, past trends, Location, Deposit/Collateral.

1. Setting up Client Exposure Limits

The stock broker may from time to time impose and vary limits on the orders that the clients can place through the stock brokers trading system (including exposure limits, turnover limits, limits as to number, value and / or kind of securities in respect of which orders can be placed. The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock brokers risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange / SEBI directions / limits (such as broker level / market level limits in security specific / volume specific exposures etc. and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The Client agrees that the stock broker shall not be responsible for such variations, reduction or imposition of client's inability to route any order through the stock brokers trading system on account of such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its own discretion and without prior notice, prohibit or restrict the clients ability to place orders or trade in securities through the stock broker or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute / allow orders. The client agrees that the losses if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

We have margin based RMS System. Total Deposits of the clients are uploaded in the system and the clients may take exposure basis of margin applicable for respective security as per VAR based margining system of the stock exchange and / or margin defined by the RMS based on its risk perception. Client may take benefit of "Credit for sale" i.e. benefit of shares held as margin by selling the same by selecting Delivery option through order entry window on the trading

platform. The value of shares sold will be added to the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the payin time or any time due to shortage of margin.

Policy for Penny Stocks

A stock that trades at a relatively low price and market capitalization. These types of stocks are considered to be highly speculative and high risk because of their lack of liquidity, large bid-risk spread, small capitalization and limited following & disclosure. Depend on the market condition and RMS Policy of the company, RMS reserves the right to refuse to provide the limit in penny stocks and losses if any on account of such refusal shall be borne by the client only.

Margins:-

Margin must be collected on all derivative trades in accordance with the rules & regulation of respective exchanges and SEBI and if management deem fit the additional margin shall be imposed according to their risk criteria defined. Client level margin will be at management discretion in cash segment. Criteria to collect margin will be on the basis of volume of client and Past history of clients. Same client should not figure in default list in more than 5 days in a month

Trading:-

Trading in illiquid scrip shall not be permitted or if permitted the proper understanding of the client nature and the proper observation of the margin and the shares shall be observed before execution of the trade. Advance payment of the funds and securities shall be observed as the case may be in case of such trading and shall be allowed on case to case basis on the description of the management.

Pay-in Of Fund & Stock:-

Third party pay-in of securities & fund will not be accepted. Same way pay out of shares and fund will be directly done to client account only. No securities belonging to one client be used/transferred for Own purpose or for other client.

Collections:-

Cash will not be accepted under any circumstances except cheque bouncing. Collection of cheques from clients must be done by T+1 day except clients who have authorized us to have running account balance.

TERMINAL

Terminals will be issued only to NCFM Certified approved users. The same will be given only after checking the validity of the certificate. At the time of allotment of the Terminal, intimation and / or approval would be required from the NSE.

PAYIN-IN / PAYOUT

If there is a debit in the clients account, the payout of securities would be held back will the extent of debit and only the balance would be transferred to the client beneficiary account. In the interim, the shares would be transferred to a clients beneficiary account and would be held there till the debit balance is cleared and / or the shares are sold and squared off.

Payin of the securities and funds would be only from designated account. Payin received from any other non designated source would be considered as a third party payin and would not be considered for the purposes of payin.

Demand drafts would be accepted only in exceptional circumstances and would be taken only with a confirmation letter from the Bank confirming the account of debit.

INTERNAL CLOSE OUT POLICY

Internal shortage is shortages created due to the buyer and the seller both being clients of M/s. Orion Stocks Ltd. and the seller failing to deliver the securities sold by them for any reason.

A client selling securities naked short (without previous purchases or delivery in hand) and not delivering, results in the buyers not receiving the securities payout and receiving internal close out credit. To avoid misuse of the short selling, the following is being implemented with immediate effect.

1. Close out price will be the Highest Weighted Average price for any day recorded in the scrip from the trading day on which the transaction took place upto the day of auction or the closing price on the day of auction i.e. T+3 + 2% (for NIFTY INDEX scrips) and 5% (for other scrips).

To summaries the buyer will get credit as given below:

Highest Weighted Average price (T to T+3) or closing price on T+3 (whichever is higher), + 2% (for NIFTY INDEX SCRIPS)

Highest Weighted Average price (T to T+3) or closing price on T+3 (whichever is higher), + 5% (for OTHER SCRIPS)

The seller will be debited by the same amount + 0.50% penalty.

2. Clients whose payin shortages exceed value of Rs.1,00,000/- and have confirmed naked short selling will be suspended for 1 day after the payin day. (Genuine clients who are short due to legitimate reasons will not be effected in any way).

SURVEILLANCE PARAMETERS

Sr No	Transactional Alerts	Segment
1	Significant increase in client activity	Cash
2	Sudden trading activity in dormant account	Cash
3	Clients/Group of Client(s), deal in common scrips	Cash
4	Client(s)/Group of Client(s) is concentrated in a few illiquid scrips	Cash
5	Client(s)/Group of Client(s) dealing in scrip in minimum lot size	Cash
6	Client / Group of Client(s) Concentration in a scrip	Cash
7	Circular Trading	Cash
8	Pump and Dump (Pump-and-dump” involve the touting of a company’s stock (typically small, so-called “microcap” companies) through false and misleading statements to the marketplace.)	Cash
9	Wash Sales (A wash sale is trading activity in which shares of a security are sold at a loss and a substantially identical security is purchased)	Cash & Derivatives
10	Reversal of Trades	Cash & Derivatives
11	Front Running (Execution of orders in a security for its own account by the member while taking advantage of advance knowledge of orders from its customers)	Cash
12	Concentrated position in the Open Interest / High Turnover concentration	Derivatives
13	Order book spoofing i.e. large orders away from market	Cash

Terms used in this Policy:

Alerts: Referred as transactional alerts arising due to sudden significant increase in client activity, sudden trading activity in inactive/dormant accounts, clients/groups of clients dealer in common scrips, illiquid scrips, minimum lot size/or single scrip, large orders away from the market, concentrated position in the open interest/high turnover concentration, circular trading, pump and dump, wash sales, reversal of trades, front running.

Policy:

Transactional alerts

In accordance with the circular no.NSE/INVG/22908 dated March 7, 2013 issued by National Stock Exchange and in order to maintain the records of the transactional alerts received from

exchanges or generated at our end, the following steps would be taken to review and dispose the alerts

1. Review the type of alert downloaded by exchange or generated at our end
2. Financial details of the client
3. Past trading pattern of the clients/client group
4. Bank/demat transaction details
5. Other connected clients having common email/mobile number/address or any other linkages etc.
6. Other publicly available information

On receipt of the above information, analyse the alerts generated and in case of any adverse findings/comments, the same shall be communicated to the Exchange within 45 days from the alert generation.

In case analysis is taking time due to complexity, an extension may be taken from the exchange to review the alert(s)

In order to have indepth analysis of the above transactional alerts, the following due diligence shall be taken:

Client(s) Information:

Due Diligence of client(s) would be done on a continuous basis. Client information should be updated at least once a year through periodic review. Financial information also needs to be updated for all active clients and the following relevant documents pertaining to financial details to be obtained from clients.

1. Copy of ITR Acknowledgement
2. Copy of Annual Accounts
3. Copy of Form 16 in case of salary income
4. Net worth certificate
5. Salary Slip
6. Bank account statement for last 6 months
7. Copy of demat account Holding statement.
8. Any other relevant documents substantiating ownership of assets.
9. Self declaration along with relevant supporting.

Addition/ Modification of any parameter (correspondence address, contact details, email id, bank and beneficiary accounts) relating to client should also be updated immediately in the UCI database of exchange and the same shall be updated in back office also.

Based on the above information/documents, identification of groups / association amongst clients to identify multiple accounts / common account / group of clients would be established.

Groups to be formed on the basis of details of family/ group/ associate provided by clients during their registration or at the time of periodic review and on the basis of any authorization submitted by the client for adjustment of their balances.

Analysis:

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified based on the alerts received from the Exchange, the following information shall be sought from clients:

- a. Seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions. Letter/ email to be sent to client asking the client to confirm that client has adhered to trading regulations and details may be sought pertaining to funds and securities and other trading pattern.
- b. Seek documentary evidence such as Bank Statement / Demat Transaction Statement or any other documents to support the statement provided by client.
 1. In case of funds, Bank statements of the Client(s) / Group of Client(s) from where funds pay-in have been met, to be sought. Sources of funds in the bank statements to be verified. In case of securities, Demat account statements of the Client(s) / Group of Client(s) from where securities pay-in has been met, to be sought.
 2. The period for such statements may be at least +/- 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.
- c. After analyzing the documentary evidences, including the Bank / Demat statement, the observations shall be recorded for such identified transactions or Client(s) / Group of Client(s). In case of adverse observations, the same will be reported to the Exchange within 45 days of the alert generation. Extension of the time period from the Exchange will be sought, if required.

In case the client does not cooperate or does not revert within reasonable period, Exchange to be informed based on the information available with the member.

Monitoring and Reporting:

The surveillance process shall be conducted under overall supervision of its Compliance Officer and based on facts and circumstances, he / she is required to take adequate precaution.

Designated directors / partners / proprietor / Compliance Officer would be responsible for all surveillance activities carried out by the Trading Member and for the record maintenance and reporting of such activities.

A quarterly MIS shall be put up to the Board/Partners/Proprietor on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed off during the quarter and pending at the end of the quarter. Reasons for pendency shall be discussed and appropriate action would be taken. In case of any exception noticed during the disposition of alerts, the same shall be put up to the Board/Partners/Proprietor.

Internal auditor shall review this 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.

4. POLICY REGARDING TREATMENT OF DORMANT/INACTIVE ACCOUNTS

INACTIVE ACCOUNT/DORMANT ACCOUNT: Where no transaction has taken place in client's Trading Account during the last 6 months from the date of last transaction, then it will be considered as dormant account.

CONSEQUENCES OF DORMANT ACCOUNT: On a client being declared dormant,

- (1) The client's funds and security account shall be settled.
- (2) In case the demat account/bank account details are not available and the client is not approachable, the securities/funds are transferred into a separate account of "**Orion Stocks Limited**" and held till such time.
- (3) The account of the client shall be locked and the client shall not be permitted to execute fresh transactions in the account without his written request and submitting other documents as required reactivating the dormant account.

CLIENT DECLARED DORMANT VOLUNTARILY:

A client may write to the company stating that he wishes to transfer his account into an "Dormant" Status, based on which the account will be marked as such.

CLIENT DECLARED INACTIVE BY PASSAGE OF TIME:

Any client who has not traded or continually for a period of six months or more will automatically be moved to "inactive/dormant" category.

CLIENT DECLARED INACTIVE BY LAW:

Any client will be moved to the "inactive" category if required by law or rules and regulation of the respective exchange or by the order of the respective exchange or SEBI or any other law prevailing at the time.

INCASE OF VERY OLD DORMANT A/C (2 YEARS OLD),

For such account we shall open the account afresh of the client. We shall adopt the same procedure as we are opening a new trading account. We will do fresh in person verification of the client.

PROCEDURE TO ACTIVATE THE LOCKED CLIENT ACCOUNT:

An e-mail request to reactive the account and process the transaction. Such e-mail request shall be sent only from the e-mail id of the Client registered with the company; or A written request to reactive the account and process the transaction duly signed by Client and submitted to the company; or Further the request shall be processed only after the client provides additional identification as required.

5. INTERNAL CONTROL AND CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It sets out basic principles to guide all employees of the firm. It is supplemented by our Policies, Guidelines and Procedures, which, collectively, provide a framework for prudent decision-making.

All of our employees must conduct themselves in accordance with this Code and seek to avoid even the appearance of improper behavior. In this respect, our tradition is that we will engage in no business or political arrangement that would be embarrassing to us if it were published on the front page of the local paper.

A Firm can create a more restrictive policy if the partners believes such a policy would enhance the spirit and intent of this policy.

This Code also should be provided to and followed by the firm's agents and representatives, including consultants.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Employees who violate the standards in this Code will be subject to disciplinary action.

1. Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this firm's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The firm holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the firm. A conflict situation can arise when an employee, officer or partner takes actions or has interests that may make it difficult to perform firm work objectively and effectively. Conflicts of interest also may arise when

- (a) an employee, officer or partner, or family member, receives personal benefits from third parties as a result of his or her position in the firm. For example, loans or guarantees of obligations of loans to employees and their family members may create conflicts of interest.
- (b) It is almost always a conflict of interest for a firm employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member.
- (c) Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from the partners. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the firm. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.
- (d) Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any firm employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the Compliance Officer.

Conflicts of interest are prohibited as a matter of firm policy, except under guidelines approved by the Partners. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or partner who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 11 of this Code.

3. Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the firm should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal. If you have any questions, please consult the firm’s Compliance Officer.

4. Corporate Opportunities

Employees, officers and partners are prohibited from taking personal gain through the use of firms property, information or position without the consent of the partners. No employee may use firms property, information or position for improper personal gain, and no employee may

compete with the firm, directly or indirectly. Employees, officers and partners owe a duty to the firm to advance its legitimate interests when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the firm's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice. To maintain the firm's valuable reputation, compliance with our quality processes and safety requirements is essential. In the context of ethics, quality requires that our products and services be designed and produced to meet our obligations to customers. All inspection and testing documents must be handled in accordance with all applicable regulations.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships. No gift or entertainment should ever be offered, given, or provided by any firm employee, directly or indirectly through a family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the partners.

6. Payments to Government Personnel

The Legal Framework prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the Indian government has a number of laws and regulations regarding business gratuities that may be accepted by Indian government personnel. The promise, offer or delivery to an official or employee of the Indian government of a gift, favor or other gratuity in violation of these rules would not only violate firm policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The firm's Compliance officer can provide guidance to you in this area.

7. Record-Keeping

Honest and accurate recording and reporting of information is required of all employees. Records should always be retained or destroyed according to the firm's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please immediately consult the firm's partners, as set forth in the firm's legal policy. Maintain all records related to the matter until after consultation with partners.

All of the firm's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the firm's transactions and must conform both to applicable legal requirements and to the firm's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved by the firm's partners.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

8. Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by the firm or its customers, except when disclosure is authorized by the firm's Partners or required by laws or regulations. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the firm or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

9. Protection and Proper Use of firm Assets

All employees should protect the firm's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the firm's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. firm equipment should not be used for non-firm business, though incidental personal use is permitted.

The obligation of employees to protect the firm's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and distribution plans, engineering ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate firm policy. It also could be illegal and result in civil or even criminal penalties.

10. Statements to the Public

No public statements may be made as a representative of the firm without prior authorization from the Partners.

Any employee who wishes to speak at a public event or submit an article for a publication in a trade magazine or other publication must obtain prior approval from the partners. While we recognize and support your right to engage in legal activities while you are not working, we also must be careful to:

- (1) Avoid the employee's position being mistaken for the position of the firm,
- (2) Avoid an interpretation that the firm in any way endorses the employee's position, and
- (3) Avoid a violation of any other policies of the firm, including those related to conflict of interest and confidentiality of firm property and information.

11. Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for employees may be made only by the Partners and will be promptly disclosed as required by law or the Stock Exchange rules.

12. Reporting any Illegal or Unethical Behavior

We all must work to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the issue and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from firm resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it with the partners

- You may report ethical violations in confidence and without fear of retaliation. The firm does not permit retaliation of any kind against employees for good faith reports of ethical violations.

Various others internal control measures are as under:

1. Applicable brokerage rate

Exclusive of Stamp Duty, Service tax, Securities transaction Tax, and any other statutory levies Brokerage will be charged within the limits prescribed by SEBI / Exchange. It is hereby further, clarified that brokerage on Option Contract shall be charged on the Premium amount at which the option contract was bought or sold, not on the strike price of the option contract. Subject to revision at our sole discretion and as informed by a circular sent by ordinary post / courier services / email. It would be the duty of the client to note the said charges regularly and periodically and shall not raise any dispute or claim in respect to said charges at any later stage. Further it is clarified that the above mentioned charges would vary from client to client at the sole discretion of the stock broker and No Client would have any right to compare or claim charges charged from other client by the stock broker.

2. Imposition of Penalty / Delayed Payment charges.

Clients will be liable to pay late payin / delayed payment charges for not making payment of their payin / margin obligation on time as per the exchange requirements / schedule at the rate of maximum 2 % per month. Similarly the stock broker will also be liable to pay delayed payment to the client for non payment of their obligation on time as per the exchange requirements / schedule at the rate of maximum 2 % per month except in cases covered by the “Running Account Authorisation” given by the client to the Broker. This delayed payment charge is being charged to act as a deterrent and is aimed at ensuring timely compliance.

The client agrees that the stock broker may impose fines / penalties for any other / trades / deals / actions of the clients which are contrary to the agreement / rules / regulations / byelaws of the exchange or any law for the time being in force, at such rates and such forms as it may deem fit.

Further, where the stock broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals actions of the client, the same shall be borne by the client.

3. Right to sell clients securities or close clients position, without giving notice to the client, on account of nonpayment of Client Dues.

Without prejudice to the stock brokers other right (including the right to refer the matter to arbitration) the stock broker shall be entitled to liquidate / close out all or any of the clients position without giving notice to the client for nonpayment of margins or any other amounts

including the payin obligation, outstanding debts etc. and adjust the proceeds of such liquidation / close out if any against the clients liabilities / obligations.

The client shall ensure timely availability of funds / securities in form and matter at designed time and in designated bank and depository account (s) for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidation/ closing out shall be charged to and borne by the client. In case of Securities lying in margin account / client beneficiary account and have corporate actions like Bonus, Stock Split, Rights issues, etc. for margin or other purposes the benefit of shares due to receive under Bonus, Stock Split, Rights etc. will be given when the shares are actually received in the stock broker designated demat account.

In case the payment of the margin / security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit / credit for the same only on realization of the funds from the said bank instrument at the sole discretion of the stock broker. Where the margin / security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion.

The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/ securities/ shares at the predefined square off time or when Mark to Market percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall be solely liable for all and penalties and charges levied by the Exchange.

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

We have margin based RMS System. Clients may take exposure upto the amount of margin available with us. Clients may not be allowed to take position in case of non-availability/ shortage of margin as per our RMS Policy. The existing position of the client is also liable to be square off / close out without giving notice due to shortage of margin / non making of payment for their payin obligation / outstanding debts.

5. Temporary Suspending or closing a Clients Account on Clients Request

On request of the client in writing, the client account shall be suspended temporarily and same can be activated on written request of the client only. During the period the client account is suspended, the market transaction in the clients account will be prohibited. However client sales / ledger balance settlement can take place.

On the request of the client in writing, the client account can be closed, provided the client account is settled. If the Client wants to reopen the account in that case, client has to again complete the KYC Requirements.

6. Deregistering of client

Notwithstanding anything to the contrary, the stock broker shall be entitled to terminate the agreement with the client with immediate effect in any of the following circumstances.

- If the action of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal / proper functioning of securities or disturb the normal / proper functioning of the market, either alone or in conjunction with others.
- If there is any commencement of any legal process against the client under any law in force.
- On the death, lunacy or other disability of the client.
- If the client is a partnership firm, has any steps taken by the client, and / or its partners for dissolution of the partnership.
- If the client suffers any adverse material change in his / her / its financial position or defaults in any other agreement with the stock broker.
- If there is reasonable apprehension that the client is unable to pay his debts or the client has admitted his inability to pay its debts, as they become payable.
- If the client is in breach of any terms, conditions or covenants of the agreement signed with him.
- If the client has made any material misrepresentation of facts, including (without limitation) in relation to the Security.
- If a receiver, administrator or liquidator has been appointed of all or part of the undertaking of the client.
- If the client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution.
- If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board of Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking.
- If any covenant or warranty of the client is incorrect or untrue in any material respect.

7. Trading Systems

Trading in Exchange is in Electronic Mode based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. There is a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office / front end system or any other problem / glitch whereby not being able to establish access to the trading systems / network which may be beyond our control and may result in delay in processing or not processing of buy / sell orders with in part or in full. The client will be solely responsible and liable for any such fault / problem / glitch if any and there will be no compensation given by the stock broker for such events.

8. Trading Terminals

Trading Terminals may be provided by the stock broker to such persons and at such places as may be deemed appropriate by the stock broker after complying with the rules and regulations prescribed by the Exchange / Regulator from time to time. Such terminals will be issued only to Certified approved users (after checking the validity of the certificate). Access to the system will be denied in case the validity of the certificate has expired and no intimation of renewal has been made to the stock broker.