

NVS Brokerage Private Limited

INTERNAL POLICY & PROCEDURES

Introduction

NVS Brokerage Pvt. Ltd. (NVS) (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.

Clients are getting an option to open an account through Online platform (EKYC) as per various guidelines and circulars provided by regulatory authorities from time to time.

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 behalf of NVSB the new Client Code is allotted
- Uploading the client details to the NSE/BSE/CDSL/KRA
- On receipt of Valid Report, accompanying the codes allocated to clients the same is intimated over telephone and Welcome Letter along with Xerox 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 & updating 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
- DDPI will be obtained from clients at the time of On boarding.
- Financial capability of the clients is assessed depending on their turnover and is assessed at the end of each financial year. For this NVSB ensures to update the financial information of the active clients. Financial statements for all corporate clients who are active arecollected.

NVS Brokerage Private Limited

Apart from this the company has started from August 1987 to 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: All clients would be 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: The Company appoints different person for checking CRF/data 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 from the CRF. All blank spaces in the CRF 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 officer in charge deactivates the client code in its front & back office. CRF 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/USE/CTCL 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 and mail the same. The clients should be asked for the settlement of their obligation before settlement date of the exchange.

Evidences for various orders placed by Clients such as Order book & voice recording system will be maintained.

NVS Brokerage Private Limited

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, Weekly Statements of Accounts and Register of Fund and Securities to Clients

1. All Contract Notes are electronically sent (E-Contract) within 24 hours from the trading date.
2. In addition to Contract Notes Daily Margin Statement is dispatched via email to the clients within 24 hours. The clients are informed about their margin details as per SEBI and Exchanges Circulars.
3. Contract Notes, Daily Margin Statements, Weekly Statements of Accounts and Register of Securities and Funds are all sent to clients 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 Settlement basis.
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.

NVS Brokerage Private Limited

4. 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.
5. Payments to the clients will be directly deposited in their account if mandate is given by them to this effect and they have account in the same bank, where the company has its account.

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/cheque 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 be given to client till proper documents are received from client.
4. Local Cheques received within 2 PM will be posted to the ledger on the same day. The effect of the cheques received beyond 2 PM would be given on the next day.
5. 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. BACKUPPOLICY

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.

Backup Storage

There shall be a separate or set of storage for each backup day. The old data is kept for 7 days and after that the storage media is reused.

Monthly Backups

Every month a monthly backup shall be made using the latest backup on the USB hard disk and the same is taken to separate location by the directors.

F. PMLA

1. Principle Officer is appointed, intimation of the same has sent to FIU INDIA and a written policy for prevention of money laundering (PMLA) is adopted.
2. Measures will be taken with regard to Anti money laundering Act and PMLA policy of the company.
3. There will be a System of keeping a check on Volume of trading done by the client is in proportion to his financial details as disclosed in the KYC.
4. There will be a system to report to FIU INDIA regarding any Suspicious Transaction Report (STR) found. e. There will be a system to do Risk categorization of clients manually.