

**RISK MANAGEMENT AND  
INTERNAL CONTROL POLICY  
AND PROCEDURES**

**RDDISIDDHI BULLIONS LIMITED (RSBL)**

# **CLIENT REGISTRATION, KYC, RECORD MANAGEMENT & ACCOUNT MAINTENANCE POLICY**

## **1. Purpose**

This policy establishes the procedures for client Onboarding, registration, KYC verification, document management, risk disclosure, client data maintenance, UCC upload, and handling of inactive client accounts. The objective is to ensure compliance with applicable regulatory requirements, safeguard client interests, and maintain accurate records.

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## **2. Client Registration Process**

### **2.1 Client Acquisition**

The organization accepts both:

- Walk-in clients visiting branch offices.
- Clients sourced through authorized employees, business associates, referral partners, and digital onboarding channels.

### **2.2 Risk Mitigation Measures for Walk-in Clients**

For walk-in clients, the following controls are implemented:

- Verification of Original KYC documents.
  - PAN verification through authorized databases.
  - Aadhaar-based authentication/e-KYC wherever permitted.
  - In-person verification (IPV) conducted by authorized personnel.
  - Mobile number and email verification through OTP validation.
  - Bank account verification through cancelled cheque/bank proof.
  - Screening against regulatory watchlists and internal negative databases.
  - Risk profiling before account activation.
  - Mandatory review and approval by designated compliance personnel.
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## **3. Record Keeping and Retrieval of Client Registration Documents**

### **3.1 Record Maintenance**

The following documents are maintained:

- Account opening forms.
- KYC documents.

- PAN and address proof.
- Financial documents.
- IPV records.
- Risk disclosure acknowledgments.
- Client agreements and consent forms.
- UCC records.

### **3.2 Storage Method**

- Documents are maintained in secure electronic repositories.
- Physical records, where applicable, are stored in secure locations with restricted access.
- Regular backups are maintained.

### **3.3 Retrieval Process**

- Documents can be retrieved through the centralized document management system.
- Access is restricted to authorized personnel.

### **3.4 Retention Period**

Records are retained as per applicable regulatory and statutory requirements.

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## **4. Client Risk Disclosure Process**

The organization ensures that all clients are made aware of associated risks before activation.

### **Procedure**

- Risk Disclosure Documents (RDD) are provided during onboarding.
  - Rights and Obligations documents are shared.
  - Tariff sheets and policies are provided.
  - Client acknowledgment is obtained through physical signature
  - Copies of all disclosures are preserved as records.
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## **5. Sending Executed Client Registration Documents**

After successful registration:

- Executed client registration documents are sent to the registered email address of the client, if any
- Physical copies are dispatched within 7 working days of account activation.
- System-generated confirmation is maintained as proof of delivery.
- Delivery records are retained for audit purposes.

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## **6. Procedure for Updating Client Details**

### **6.1 Details Covered**

Clients may update:

- Address
- Mobile number
- Email ID
- Bank account details
- Nominee details
- Financial information
- Occupation and income details

### **6.2 Update Process**

1. Client submits prescribed modification request.
2. Supporting documents are obtained.
3. Verification of documents is conducted.
4. Changes are approved by authorized personnel.
5. Client receives confirmation of successful update.
6. Records are updated in all applicable systems.

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## **7. Updating Client Financial Information and Other Particulars**

### **Procedure**

- Periodic review of client financial information is conducted.
- Updated income proof and financial documents are obtained when required.
- Enhanced due diligence is performed for high-risk clients.
- Risk categorization is revised, if necessary.
- Updated records are maintained in the client database.

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## **8. Prevention of Misuse of Unfilled Fields During Registration**

### **Checker Concept and System Controls**

To prevent misuse of blank spaces and incomplete forms:

- Mandatory fields are system-controlled and cannot be left blank.
  - Maker-checker approval process is implemented.
  - Registration forms are reviewed before activation.
  - Blank fields, if any, are struck off electronically or physically.
  - Digital forms use validation controls to prevent incomplete submissions.
  - Audit trails are maintained for all modifications if any
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## **9. Systems and Processes for UCC Upload**

### **Procedure**

1. Client registration is completed.
  2. KYC and compliance checks are verified.
  3. Unique Client Code (UCC) is generated.
  4. UCC details are uploaded to the relevant exchange system within prescribed timelines.
  5. Upload acknowledgments are maintained.
  6. Exception reports are monitored and rectified promptly.
  7. Periodic reconciliation is conducted between internal records and exchange records.
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## **10. Outsourcing of Client Registration Activities**

### **Policy Position**

Client registration activities are:

- Not outsourced.
  - All onboarding activities are conducted by authorized employees and approved systems.
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## **11. Identification of Inactive Trading Accounts and Re-activation**

### **Identification of Inactive Accounts**

An account shall be classified as inactive if:

- No trading activity is observed for a period prescribed by applicable regulations and internal policy.
- Client communication becomes non-responsive, where applicable.

## **Controls on Inactive Accounts**

- Enhanced monitoring is performed.
- Sensitive changes are restricted.
- Alerts may be generated for unusual activity.

## **Re-activation Process**

1. Client submits reactivation request.
  2. Updated KYC documents are obtained where required.
  3. Verification of client identity is conducted.
  4. Risk assessment is reviewed.
  5. Approval is obtained from authorized personnel.
  6. Account is reactivated and client is informed.
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# **12. Monitoring and Compliance**

- Compliance department periodically reviews adherence to this policy.
  - Internal audits are conducted.
  - Exceptions and deviations are reported to management.
  - Regulatory changes are incorporated promptly into procedures.
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## **ORDER RECEIPT AND EXECUTION POLICY**

### **1. Purpose**

The purpose of this policy is to establish standardized procedures for receipt, verification, execution, modification, cancellation, confirmation, and record retention of client orders. The policy aims to ensure fair dealing, regulatory compliance, transparency, and protection of client interests.

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### **2. Modes of Receiving Orders**

Orders may be accepted through the following approved channels:

- Telephone lines
- Physical written instructions
- Authorized e-mail from registered e-mail ID

- Authorized dealers/relationship managers through approved systems
- Exchange-approved communication channels, where applicable

Orders received through unregistered communication channels are not accepted unless independently verified as per prescribed procedures.

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### **3. Client Identification Prior to Acceptance of Orders**

Before accepting any order, the following verification procedures are followed:

#### **3.1 Online Orders**

- Login through unique Client ID and password.
- Two-factor authentication (2FA) as mandated by regulatory requirements.
- Validation of trading account status and available limits.

#### **3.2 Telephonic Orders**

- Verification through client code.
- Verification of personal identifiers maintained in client records.
- Orders accepted only through telephone lines.
- Call recordings maintained as evidence. Minimum 5-year retention for call recordings as per SEBI/MCX requirements.

#### **3.3 E-mail Orders**

- Orders accepted only from the client's registered e-mail address.
- Verification of client details before execution.
- Retention of email records and acknowledgements.

#### **3.4 Physical Instructions**

- Verification of client signature against records.
- Verification of identity, wherever required.

No order is accepted from unauthorized persons acting on behalf of clients unless valid authorization exists.

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## **4. Order Entry and Execution Process**

### **4.1 Order Acceptance**

Upon verification:

- Order details are entered into the trading system.
- System-generated order reference number is created.
- Orders are transmitted to the exchange without undue delay.

## **4.2 Best Execution Principle**

The organization endeavors to execute client orders promptly and fairly, considering:

- Price
- Market conditions
- Liquidity
- Exchange regulations
- Client instructions

Execution is subject to market availability and exchange acceptance.

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# **5. Evidence of Order Placement, Modification and Cancellation**

## **5.1 Records Maintained**

Evidence of client instructions is maintained for:

- New orders
- Order modifications
- Order cancellations

## **5.2 Forms of Evidence**

The following records are maintained, as applicable:

- Exchange order logs
- Audit trail reports
- Email communications
- Online trading system logs
- Written instructions
- Dealer terminal records
- Time-stamped electronic records

## **5.3 Record Retention**

Records are securely preserved for the period prescribed under applicable regulatory requirements and are retrievable for audit, inspection, and investigation purposes.

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## **6. Order Modification and Cancellation**

Clients may modify or cancel orders through approved channels prior to execution.

### **Procedure**

1. Client identity is verified.
2. Modification/cancellation request is recorded.
3. Request is entered into the trading system.
4. System-generated confirmation is generated.
5. Audit trail is maintained.

Modification or cancellation cannot be guaranteed once the order has been fully or partially executed.

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## **7. Discretionary Powers in Execution of Orders**

### **Policy Statement**

The organization does not exercise discretionary powers in executing client orders.

Orders are executed strictly in accordance with client instructions regarding:

- Security
- Quantity
- Price
- Product type
- Exchange segment

No employee, dealer, or authorized person is permitted to undertake discretionary trading on behalf of clients unless specifically permitted under applicable regulations and supported by separate written authorization and regulatory approval.

### **Exceptional Circumstances**

The organization may take necessary action only in situations such as:

- Regulatory directives
- Risk management requirements
- Margin shortages
- Exchange-imposed restrictions
- Systemic risk controls
- Client protection measures mandated by law

Such actions are documented and communicated to clients wherever applicable. All systems used for client onboarding, order management, communication and trading shall comply with

applicable SEBI and Exchange Cyber Security and Cyber Resilience Framework requirements.

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## **8. Trade Confirmation System**

### **8.1 Trade Confirmation Process**

Upon execution of trades:

- Contract notes are generated in accordance with regulatory requirements.
- Trade confirmations are sent to the client.

### **8.2 Contents of Confirmation**

Trade confirmations generally contain:

- Client Code
- Order Number
- Trade Number
- Security Name
- Quantity
- Price
- Time of Execution
- Brokerage and Charges
- Settlement Details

### **8.3 Timeframe**

Trade confirmations and contract notes are issued within the timelines prescribed by applicable regulations and exchange requirements.

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## **9. Monitoring and Surveillance**

The organization maintains systems to monitor:

- Unauthorized trading activities
- Dealer-assisted transactions
- Unusual order patterns
- High-risk transactions
- Regulatory exceptions

Periodic reviews are conducted by the Compliance and Risk Management functions.

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## **10. Internal Controls**

The following controls are maintained:

- Segregation of dealer and supervisory functions.
- Restricted access to trading systems.
- User ID-based activity tracking.
- Comprehensive audit trails.
- Periodic compliance reviews if needed
- Exception reporting and escalation procedures.

### **POLICY FOR SENDING CONTRACT NOTES, MARGIN STATEMENTS, WEEKLY/MONTHLY STATEMENTS, ANNUAL GLOBAL STATEMENTS, RETENTION STATEMENTS AND STATEMENT OF ACCOUNTS**

#### **1. Purpose**

This policy outlines the procedures adopted by the organization for generation, dispatch, delivery, and retention of Contract Notes, Daily Margin Statements, Weekly/Monthly Statements of Funds and Securities, Annual Global Statements, Retention Statements, and Statements of Accounts to clients in compliance with applicable regulatory requirements.

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#### **2. Scope**

This policy applies to all clients registered with the organization and covers all communication relating to:

- Contract Notes (CN)
  - Electronic Contract Notes (ECN) if any sanded
  - Daily Margin Statements
  - Weekly/Monthly Statements of Funds and Securities
  - Annual Global Statements
  - Retention Statements
  - Statement of Accounts
  - Other regulatory statements and disclosures
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#### **3. Outsourcing of Document Generation and Dispatch**

##### **Policy Statement**

##### **Option A – Not Outsourced**

The organization does not outsource the generation and dispatch of Contract Notes, Margin Statements, Statements of Accounts, Annual Global Statements, and Retention Statements. All such documents are generated and dispatched through approved internal systems under the supervision of authorized personnel.

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## 4. Mode of Sending Documents

Documents are dispatched through one or more of the following modes:

### Electronic Mode

- Registered E-mail ID of the client

### Physical Mode

- Physical delivery
- Courier service
- Registered post
- Speed post

Electronic delivery is the default mode where clients have provided valid e-mail consent and registered e-mail addresses.

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## 5. Frequency of Sending Documents

Document Type	Frequency
Contract Notes	Within regulatory timelines after trade execution
Daily Margin Statement	Daily, where applicable
Statement of Funds and Securities	Weekly or Monthly as opted by the client and permitted by regulations
Statement of Accounts	Periodically and upon request
Annual Global Statement	Annually
Retention Statement	As prescribed under regulatory requirements
Other Regulatory Communications	As and when required

All communications are dispatched within the timelines prescribed by applicable regulatory authorities and exchanges.

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## 6. Electronic Mail Delivery and Log Reports

## **System-Generated Evidence**

For documents sent through e-mail:

- System-generated e-mail logs are maintained.
- Delivery reports and dispatch records are retained.
- Time-stamped audit trails are available.
- E-mail transmission records are preserved for audit and inspection purposes.
- Reports can be retrieved from the document management and communication systems.

The organization maintains evidence of successful transmission in accordance with regulatory requirements.

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## **7. Handling of Bounced Electronic Contract Notes (ECN)**

### **Bounce-back Monitoring**

The system monitors undelivered or bounced electronic communications.

### **Action on Bounce-back**

Upon receipt of a bounce-back notification: if any

1. The client's e-mail status is marked for review.
2. Efforts are made to contact the client for correction of e-mail details.
3. Physical dispatch of Contract Notes may be initiated where required by applicable regulations.
4. Appropriate records of the bounce-back and subsequent action are maintained.

### **Timeframe for Physical Dispatch**

Where physical dispatch is required due to bounced ECN, the organization shall dispatch the physical Contract Note within 3 working days of detecting bounce-back as per SEBI/MCX requirements and maintain proof of dispatch.

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## **8. Statement of Accounts Process**

### **Contents**

Statements may include:

- Ledger balance
- Funds position

- Securities holding details
- Transaction details
- Margin obligations
- Collateral information

## **Delivery**

Statements are made available through:

- Physical delivery
- Registered e-mail
- Back-office portal

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## **9. Annual Global Statement**

The organization provides an Annual Global Statement containing consolidated details of:

- Funds balances
- Securities balances
- Transactions
- Collateral and margin information
- Other regulatory disclosures

The statement is dispatched annually through electronic mode and/or other approved communication channels.

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## **10. Retention Statement**

Retention statements are generated and communicated in accordance with applicable regulatory requirements and contain details of:

- Retained funds
- Retained securities
- Client authorizations
- Settlement preferences

Records of dispatch and acknowledgements are maintained.

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## **11. Billing Pattern**

### **Brokerage and Charges**

Brokerage and applicable charges are levied in accordance with:

- Agreed tariff structure
- Client registration documents
- Regulatory limits prescribed by exchanges and SEBI

### **Disclosure of Charges**

Charges are disclosed through:

- Contract Notes
- Ledger statements
- Tariff sheets
- Periodic statements of account

### **Billing Cycle**

- Brokerage and statutory charges are reflected in Contract Notes.
- Ledger updates are maintained on a continuous basis.
- Statements are generated periodically as per regulatory requirements.

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## **12. Record Retention**

The organization maintains records relating to:

- Contract Notes
- Statements of Accounts
- Annual Global Statements
- Retention Statements
- Physical dispatch records

Such records are preserved for the period prescribed under applicable laws, regulations, and exchange requirements.

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## **POLICY ON LIQUIDATION / SQUARE-OFF OF CLIENT POSITIONS DUE TO MARGIN DEFAULT**

### **1. Objective**

The objective of this Policy is to define the process for monitoring margin requirements, communicating margin shortfalls to clients, and liquidating or squareing-off client positions in cases of margin default, in accordance with applicable regulatory requirements and the Company's Risk Management Framework.

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## **2. Client Authorization for Square-Off**

At the time of account opening, clients execute the Rights & Obligations document, Risk Disclosure Document, and other account opening agreements, which expressly authorize the Company to liquidate, square-off, or close client positions and/or sell pledged or funded securities in the event of:

- Margin shortfall.
- Non-payment of margin obligations.
- Mark-to-Market (MTM) losses.
- Failure to meet exchange-prescribed margin requirements.
- Risk management concerns.

The authorization forms an integral part of the client registration and account opening documentation maintained by the Company.

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## **3. Communication of Margin Obligations and Risk of Square-Off**

Clients are informed at the time of onboarding and through periodic communications that:

- Maintenance of adequate margins is their responsibility.
- Margin requirements may increase due to market volatility or regulatory changes.
- Failure to maintain required margins may result in liquidation or square-off of positions without further notice where immediate action is necessary.
- Any losses arising from such liquidation shall be borne by the client.

The Company's Risk Disclosure Document (RDD), Rights & Obligations document, and Margin Policy clearly specify these provisions.

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## **4. Margin Call and Communication Process**

Whenever a margin shortfall is identified, the Company endeavors to notify clients through one or more of the following communication channels:

- E-mail communication.
- Telephone calls by authorized personnel.

The mode of communication may vary depending upon the urgency and nature of the margin shortfall. All margin demand communications (email, SMS, call logs) are preserved for a minimum of 5 years.

The Company reserves the right to liquidate positions without prior notice in exceptional circumstances involving significant market volatility, regulatory requirements, or immediate risk management concerns.

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## **5. Procedure for Square-Off Due to Margin Default**

In the event the client fails to meet margin requirements within the prescribed time:

1. Margin shortfall is identified through the Risk Management System.
2. Margin call
3. The client is provided an opportunity to replenish margins, subject to applicable timelines.
4. If margins are not received, the Risk Management Department may initiate partial or full square-off of open positions.
5. The Company may liquidate positions and/or collateral to the extent required to mitigate risk.
6. The square-off process may be undertaken without further notice if market conditions warrant immediate action.

The timing, sequence, and quantity of liquidation shall be determined solely by the Company's Risk Management Department.

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## **6. Regulatory Compliance**

All margin monitoring and liquidation activities are undertaken in accordance with:

- SEBI regulations.
- Exchange and Clearing Corporation requirements.
- Client agreements and account opening documents.

## **POLICY ON TRANSFER OF TRADES (ERROR TRADE MANAGEMENT)**

### **1. Objective**

The objective of this Policy is to establish a framework for monitoring, review, approval, and reporting of transfer of trades arising out of genuine errors during order execution. The Policy aims to minimize occurrences of trade transfers, ensure transparency, maintain proper records, and comply with applicable regulatory requirements.

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### **2. Scope**

This Policy applies to all employees, dealers, authorized persons, and departments involved in order execution, trade processing, risk management, and compliance functions.

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### **3. Policy Statement**

The Company discourages transfer of trades and permits such transfers only in exceptional circumstances arising from genuine and identifiable errors. Trade transfers shall not be used to provide any undue benefit to clients, employees, or connected persons.

All transfers of trades shall be subject to review, approval, documentation, and reporting as per applicable regulatory requirements.

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### **4. Circumstances Under Which Trade Transfer May Be Permitted**

Trade transfers may be considered only in cases of genuine errors such as:

- Punching of incorrect client code.
- Entry of incorrect order details resulting in execution in a wrong account.
- System-related operational errors.
- Genuine dealer errors supported by documentary evidence.
- Other exceptional circumstances approved by Compliance and Risk Management.

Trade transfers shall not be permitted for:

- Market speculation.
  - Avoidance of losses.
  - Tax planning purposes.
  - Circumvention of regulatory requirements.
  - Any activity resulting in unfair advantage to any party.
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### **5. Monitoring of Trade Transfers**

The Company has established a monitoring mechanism for identifying and reviewing trade transfers.

The monitoring process includes:

- Daily review of transferred trades.
- Verification of reasons recorded for each transfer.
- Examination of supporting documents.
- Review of dealer-wise and client-wise error trends.

- Analysis of frequency and pattern of transfers.
  - Escalation of unusual or repetitive instances to Compliance.
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## **6. Approval Process**

All trade transfers shall require:

1. Documentation of the reason for transfer.
2. Verification by Operations Department.
3. Review by Risk Management and Compliance functions.
4. Approval from designated authorized officials.
5. Maintenance of audit trail and supporting records.

No trade transfer shall be processed without proper authorization.

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## **7. Steps Taken to Avoid Trade Transfer Errors**

To minimize occurrences of trade transfers, the Company has implemented the following controls:

- Unique user IDs and passwords for dealers.
  - Client code validation controls in trading systems.
  - Periodic dealer training and awareness programs.
  - Restricted access to trading terminals.
  - Real-time order monitoring by supervisors.
  - Daily exception reporting.
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## **8. Identification and Analysis of Reasons for Trade Transfer**

For every trade transfer, the Company conducts a root-cause analysis to determine:

- Nature of the error.
- Person responsible for the error.
- Systemic weaknesses, if any.
- Corrective and preventive actions required.

Findings are documented and reviewed by Compliance and Management.

Repeated errors by any dealer, employee, or business unit are subject to enhanced supervision and corrective action.

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## **9. Record Maintenance**

The Company maintains records of:

- Trade transfer requests.
- Reasons for transfer.
- Supporting evidence.
- Approval notes.
- Client communications, where applicable.
- Compliance review reports.
- Exception and MIS reports.

Records are retained for the period prescribed under applicable regulatory requirements.

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## **10. Reporting and Review**

A periodic report on trade transfers shall be reviewed by Compliance and Senior Management.

The report shall include:

- Number of transfers.
- Reasons for transfers.
- Dealer-wise analysis.
- Client-wise analysis.
- Corrective actions initiated.

Any unusual trend or exception shall be investigated and appropriate action shall be taken.

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## **POLICY ON INVESTOR GRIEVANCE REDRESSAL MECHANISM**

### **1. Objective**

The objective of this Policy is to establish a robust framework for receipt, recording, monitoring, resolution, and reporting of investor complaints and grievances in a fair, transparent, and time-bound manner. The Policy aims to ensure protection of investor interests and compliance with applicable regulatory requirements.

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### **2. Maintenance of Complaint Register**

The Company maintains a **Centralized Investor Complaint Register** at its Correspondence Office.

All complaints received at customer service centers, email, or other channels are recorded in the centralized system immediately upon receipt.

The centralized register contains:

- Complaint number
  - Client name and code
  - Date of receipt
  - Nature of complaint
  - Action taken
  - Date of resolution
  - Status (Open/Closed)
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### **3. Modes of Receiving Investor Complaints**

Investor complaints may be received through any of the following channels:

- Written letters
- E-mail
- Registered office/other office
- Customer care/helpdesk
- Telephone calls
- Company website grievance portal
- SEBI SCORES platform
- Exchange Investor Grievance Cell

All complaints, irrespective of the mode of receipt, are recorded and tracked through the centralized complaint management process. Complaints on SEBI SCORES must be resolved within 21 calendar days as per SEBI SCORES regulations.

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### **4. Complaint Handling and Redressal Process**

#### **Step 1 – Receipt and Registration**

- Complaint is acknowledged upon receipt.
- Complaint details are recorded in the centralized register.

#### **Step 2 – Investigation**

- Complaint is forwarded to the concerned department.
- Relevant records, documents, and transaction details are examined.
- Facts are verified with concerned officials, clients.

### **Step 3 – Resolution**

- Appropriate corrective action is initiated.
- Response is prepared and communicated to the client.
- Resolution is provided within the timelines prescribed by applicable regulations.

### **Step 4 – Closure**

- Complaint is closed only after resolution and recording of action taken.
  - Closure details are updated in the complaint register.
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## **5. Monitoring of Pending Complaints**

The Compliance Department monitors all pending complaints on an ongoing basis.

The monitoring mechanism includes:

- Daily review of pending complaints.
- Aging analysis of unresolved complaints.
- Escalation of overdue complaints to senior management.
- Monitoring of complaints received through SEBI, Exchanges, and Depositories.
- Periodic management reporting.

Special attention is given to complaints approaching regulatory resolution timelines.

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## **6. Analysis of Complaints**

The Company conducts periodic analysis of investor complaints to identify trends and areas requiring improvement.

The analysis includes:

### **Complaint Type Analysis**

- Unauthorized trades
- Funds-related complaints
- Securities-related complaints
- Delay in payouts
- Margin-related complaints
- Service-related complaints
- Technology/platform complaints
- Account opening/KYC complaints

### **Trend Analysis**

- Recurring complaints
- Root cause identification
- Corrective and preventive actions

The findings are reviewed by Compliance and Senior Management periodically.

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## **7. Monitoring and Control Over Cash, Cheques and Demand Drafts Received**

### **Policy Statement**

The Company discourages acceptance of cash from clients except where specifically permitted under applicable laws and internal policies.

### **Controls for Cheques and Demand Drafts**

The following controls are implemented:

- Cheques/DDs are accepted only in the name prescribed by the Company.
- Details are entered into a receipt register/system immediately upon receipt.
- Instruments are deposited into designated bank accounts without undue delay.
- Daily reconciliation is performed between:
  - Receipt records
  - Bank deposits
  - Client ledger postings

### **Accounting Controls**

- Funds received are credited only to the respective client ledger.
  - Exception reports are reviewed by Operations and Compliance teams.
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## **8. Record Maintenance**

The Company maintains records relating to:

- Complaint registers
- Complaint correspondence
- Supporting documents
- Resolution notes
- Escalation records
- Complaint analysis reports

Records are retained for the period prescribed under applicable regulatory requirements.

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## **9. Regulatory Reporting**

Complaints received through SEBI, Exchanges, Depositories, or any regulatory authority are handled and reported within prescribed timelines.

Periodic reports are submitted to regulatory authorities wherever required.

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## **POLICY ON ALLOTMENT / SURRENDER OF TRADING TERMINALS AND OPENING / CLOSING**

### **1. Objective**

The objective of this Policy is to establish a controlled framework for allotment and surrender of trading terminals, setting of trading limits, client mapping, and regulatory compliance. The policy aims to ensure effective risk management, operational control, and uninterrupted client servicing.

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### **2. Scope**

This Policy applies to:

- Trading terminals allotted to employees and dealers.
  - Client mapping and reassignment processes.
  - Risk management and trading limit controls.
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### **3. Allotment of Trading Terminals**

#### **3.1 Approval Process**

Trading terminals shall be allotted only after:

- Approval from designated management authority.
- Completion of due diligence on the concerned dealer.
- Verification of regulatory registrations and infrastructure requirements.
- User creation and authorization in trading systems.

A record of all terminal allotments shall be maintained by the Operations/Compliance Department.

### **3.2 User Access Controls**

- Each terminal shall be assigned a unique User ID.
  - Sharing of User IDs and passwords is strictly prohibited.
  - Access rights shall be based on job responsibilities.
  - Periodic review of terminal access shall be conducted.
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## **4. Limit Setting for New Trading Terminals**

Before activation of a new terminal, appropriate trading limits shall be assigned by the Risk Management Department.

The limits shall be determined based on:

- Risk profile.
- Available deposits, collateral, or security.
- Regulatory and internal risk management guidelines.

### **Types of Limits**

The Company may prescribe:

- Exposure limits.
- Turnover limits.
- Client-wise limits.
- Dealer-wise limits.

### **Review of Limits**

- Limits shall be reviewed periodically.
  - Temporary enhancements shall require proper approval.
  - Limit breaches shall be monitored through automated risk management systems.
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## **5. Surrender of Trading Terminals**

Trading terminals may be surrendered due to:

- Dealer resignation or transfer.
- Business restructuring.
- Regulatory or compliance reasons.
- Management decision.

### **Procedure**

1. Formal request or approval for surrender.
  2. Deactivation of terminal access.
  3. Settlement of pending obligations.
  4. Review of open positions and client accounts.
  5. Updating internal records and regulatory records where required.
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## **6. Mapping of Clients upon Surrender of Trading Terminals**

To ensure continuity of services, client accounts associated with surrendered terminals shall be remapped to another active terminal.

### **Mapping Process**

- Clients shall be mapped to an authorized dealer, or terminal.
- Mapping shall be approved by designated officials.
- Client servicing continuity shall be ensured.
- Necessary updates shall be made in internal systems.

### **Client Communication**

Where required, clients shall be informed through:

- Email
- SMS
- Letter
- Telephone communication
- Other approved communication channels

The communication shall include details of the new servicing dealer/contact point.

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## **7. Monitoring and Controls**

The Company shall implement the following controls:

- Periodic review of terminal utilization.
- Monitoring of terminal-wise trading activity.
- Review of inactive terminals.
- Risk monitoring of terminal exposures.
- Periodic compliance audits.
- Segregation of dealer and supervisory functions.

Any unusual activity shall be escalated to the Risk Management and Compliance Departments.

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## 10. Record Retention

The Company shall maintain records relating to:

- Terminal allotment and surrender. All terminal allotments, modifications, and surrenders must be reported to MCX as per exchange prescribed procedures within the required timeline.
- Limit approvals and revisions.
- Client remapping.
- Regulatory filings.
- Client communications.

Such records shall be retained in accordance with applicable regulatory requirements.

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## Policy Review

This Policy shall be reviewed periodically and amended whenever required due to regulatory changes, business requirements, or risk management considerations.

**Approved By:** Board of Directors

**Last Updated:** 09<sup>th</sup> March 2026

**Review Frequency:** Annual or as required by regulatory changes.