

# **R.R.Chokhani Stock Brokers Pvt Ltd.**

## **Policy and Procedures**

### **a. Client Registration, Documents Maintenance**

- Checklist
- Documents verified by officer and signed by Director
- Registration of all Constituents as format prescribe by Exchange/ SEBI
- Mandatory & Voluntary documents
- In-person verification of clients
- Allotment of UCC to clients
- delivery of copy of duly completed client registration form to client
- Updation of clients financial information at regular intervals
- Proper documentation in punch folder for long preservation

### **b. Policy for Unauthentic News Circulations**

**Checks and balances are in place to govern the conduct of employees and none of the employee is allowed to open / access any such sites / chat forums / messenger sites without approval of Compliance Officer of Company.**

### **c. Closure of client accounts / dormant accounts / Inactive Accounts.**

**We maintained records of dormant account. Accounts become inactive if no transactions are done during last 6 months and for activating such accounts request from clients either written and or oral is obtained.**

### **d. Order Receipt and Execution**

**Order Book is maintained. Wherever as per request of clients has authorized to take verbal instruction without noting in order book and same are executed as per verbal orders on telephone**

### **e. Sending Contract Notes, Daily Margin Statement, Quarterly Statements of Accounts to clients**

**Contract Notes are issued to client by hand delivery/ personally/ Couriers on daily basis along with Daily Margin Statement. Quarterly Statements of accounts are send to clients at every quarter by hand delivery/ personally / Couriers.**

### **f. Collection of pay in, margin, limits setting for exposure & turnover for clients, terminals, branches & sub-broker level**

**On transaction day we informed verbally aftermarket hours, contract notes issued on same day and all other information is available online to clients. Regular follow-up is done with clients for collection. Limits are set as per accounts balances and all other limits are monitored by Directors and Accounts Department.**

g. Monitoring of debit balance.

**Debit balance of clients is monitored by Director and Accounts Department on daily basis. If there is any debit balance dealer refers to director or accounts department.**

h. Allotment, surrender of trading terminal

**All trading terminals are allotted after due diligence. We make the application in prescribe format to exchange for allotment and surrender for trading terminal and we maintain all documents in regard to allotment and surrender of trading terminal**

i. Opening & Closing of branches / sub-broker office

**We intimate exchange on opening of branches and closing of branches.**

j. Payment, Receipt of funds from/ to clients

**As per instruction of Client all payments, receipt of funds from / to clients are done through client's bank account. In case Demand Draft the letter from bank to be taken giving details of client account debited for making DD. Audit Trail to be maintained in case fund received through electronic fund (NEFT / RTGS/ Electronic transfers)**

k. Receipt, delivery of securities from/ to clients

**Receipts, delivery of securities from / to clients are done through settlement account and client beneficiary and sometime Direct payout to client from exchange.**

l. Square off of positions / liquidation of securities without consent of clients

The client/ associates are expected to make payments for purchases and clear all debits for pay-in. The company is authorized not to release securities purchased by the client unless the funds obligations have been paid in full. In case, if the company does not receive funds before due date (i.e. pay in date) the company has right to sell the securities as per exchange byelaws, without any further intimation to client/ associates. The cost and consequences of such action shall be entirely client's responsibility and shall be without any prejudice to the company's right to take any other action to recover the dues.

**"As per the SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019 on Handling of Client's Securities R.R.Chokhani Stock Brokers Pvt Ltd shall transfer the securities purchased by the client to client's demat account within 1 working day of the pay out if clear payment is received from the client and if the client fails to make the payment in full then R.R.Chokhani Stock Brokers Pvt Ltd shall transfer the securities to the "client unpaid securities account (CUSA)". The securities kept in the CUSA shall either be transferred to the demat account of the client upon fulfillment of its**

**funds pay-in obligation or in case of the payment is not received by the client it shall be disposed off in the market by R.R.Chokhani Stock Brokers Pvt Ltd with in 5 trading days after the date of pay out without any notice to the client to the extent of debit balance of the client and/or as per R.R.Chokhani Stock Brokers Pvt Ltd's Risk Management policy and balance securities shall be transferred to the respective client's demat account."**

"Please note that, running account authorisation for funds and securities earlier provided by you to us at the time of account opening is now restricted to funds only and not for securities as per the recent SEBI's circular -

CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019. So, w.e.f. 01.10.2019 as per the said circular, the revised running account authorisation clause will be read as follows: "Funds shall not be paid immediately until/ unless specifically demanded by client and member is free to use the same for the future settlement/ margin obligations etc of the client".

m. Policy of internal shortage

**We make auction bill as per market auction rate for client giving shortage and give credit bill to buyer clients**

n. Transfer of trades

**We do not do any transfer of trades**

o. Investor redressal mechanism

**We maintain investor complain register book and email ID printed on contract note as well as on our website for investor to make complains if any.**

p. PLMA

**Separate write up given.**

q. **Power of Attorney**

We have not taken any power of attorney for operating client bank accounts or for trading on behalf of clients.

r. Refusal of orders for penny stocks

**The orders for penny stocks may only partially execute or not executed at all depending upon liquidity of that particular stock. We do not allow trading in illiquid securities unless prior approval taken. No sale of physical securities is allowed in our organization unless prior approval taken.**

s. Brokerage Rate

**Before beginning of trade obtain clear explanation for brokerage levied.**

t. imposition of penalty / delayed payment charges

**Penalty / delayed payment charges may be levied**

u. Setting up clients exposure limit

**Client's exposure limit will set as per account balance and margin account balance**

v. Deregistering of Client . Temporary suspending or closing of client

**Deregistering of client or closing of client can be done when client is declared defaulter / insolvent, when activity is not justified by its profile or by discretion giving 30 days' notice.**

w. Insider Trading Policy

**No employee of organization is allowed to trade in any of the of the listed companies on the basis of insider information and oral/written undertaking is obtained to this effect.**

x. Sales Practices followed by the trading Member

**Mouth publicity and through references.**

xi Client Code Modification

**We maintain Client Code Modification Register and all client code modification are authorized and entered in register and prior approval for the same is to be taken from Authorized Director(s) only. No personnel is authorized to make any client code modification without entering the entry into register and prior approval of authorized director(s) is must.**

y Error Account

**If any Error occurred during trading same shall be immediately reported to the Senior Authorized Person / Director. The said error shall transferred to Error A/c**

yi KRA Registration

**KRA Registration of client should be done as per guideline of SEBI/ Exchange time to time. All new client registration with effect from January 01, 2012 should be done through KRA.**

yii Execution / Placement Orders

**As per SEBI / Exchange guidelines the Execution Orders Limits shall be reviewed on regular basis. Limits shall be setup after assessing the risks of the corresponding user ID and branch ID. The limits will be setup after taking into account capital adequacy requirements. The following limits shall be defined and reviewed regularly: 1) quantity limit for each order, 2) Value limit for each order, 3) Branch value limit for each branch ID, 4) Security wise limit for each user ID.**

### **Systems**

a. capacity of systems with reference to volume

**Our systems are of latest technology and we have in house engineers for trouble shooting**

b. Connectivity to Exchange & / to branches / sub-brokers / clients

**We have lease line / vsat connectivity to exchange and to branches**

c. Back up in case of disruption of connectivity

**We have installed UPS and also we have VSAT in case of disruption of connectivity**

## **R.R.Chokhani Stock Brokers Pvt. Ltd.**

### **Policy on pre-funded Instruments and Electronic Fund Transfer**

If the aggregate value of pre-funded instruments is Rs. 50,000/- or more from client per day per client, we may accept the instruments only if the same are accompanied by the name of the bank account holder and number of the bank account debited for the purpose, duly certified by the issuing bank.

And the mode of certification may include the following either :

- a. Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
- b. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- c. Certified copy of the passbook/bank statement for the account debited to issue the instrument.
- d. 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.

**For R.R.Chokhani Stock Brokers Pvt Ltd**

**SD/**

**Director / Authoised Signatory**

## **INVESTOR GRIEVANCE POLICY**

This is an internal policy of R. R. Chokhani Stock Brokers Pvt. Ltd for Investor Grievance handling.

1. An Investor /Client can make his/her complaint through email or letter to the Company.
2. The Investor/Client can make a written complaint through letter and sent it or hand delivered to Company's Registered / Main Office.
3. Handling of all investor grievances is a centralized function and is being handled by Compliance department at Main office.
4. Under the SEBI directive a designated e-mail id has been created [invgrievances@rrcfinancials.com](mailto:invgrievances@rrcfinancials.com) & the same has been displayed on our website [www.rrcfinancials.com](http://www.rrcfinancials.com). This e-mail id would be monitored by compliance department on daily basis.
5. All the Investor Grievances received in writing at main office or at the [invgrievances@rrcfinancials.com](mailto:invgrievances@rrcfinancials.com) would be verified and scrutinize by the compliance department and it would initiate necessary steps to resolve the complaint within 1 -2 working days of the receipt of the complaint by them.
6. Any course of action which involves the concerned department at Head office it would be informed to the concerned head of the department and Business team. Likewise, if the course of action which involves branch and or associate, business team at the corporate office would be informed/updated.
7. If there is no response from concerned department or the branch and or associate within 3 working days of the complaint, the same would be escalated to Head Compliance for immediate action and if there no response within 5 working days the same would be reported to the Designated Director as in the form of an MIS reporting
8. All investor grievances should be resolved within time period of 15-25 days of the receipt of the complaint to the department.
9. More than 3 complaints received during a month from the same branch (number of complaints is subject to review depending upon the market conditions and volumes generated by the branches and or associates) Head of business would

have to seek an explanation from the branch manager and keep the compliance department informed/updated.

10. All the investor grievances would be handled in the following manner by the compliance department:
  - a. All the investor grievances (hard copy or softcopy) would be updated in an excel register (softcopy) or in hard copy register notebook as in the format specified on the same day of the receipt of the complaint. This register would be monitored by the compliance officer.
  - b. After verification and scrutiny the appropriate steps would be initiated to resolve the complaint at the earliest.
  - c. A monthly MIS of the complaints received, pending and or resolved would be given to the Head of Business and designated Directors of the Company.
  - d. As per the exchange/depositary/sebi directives the complaint register has to be maintained in hardcopy function wise i.e. Broking compliant register and DP complaint register as in the format specified.
  - e. Therefore, compliance department will ensure that depending upon the type of the complaint, all the information i.e. from the receipt of the complaint till the status of being resolved would be updated in the register as stated in point 10 d
11. The compliance officer would ensure that it gives its sign-off only after the complaint is resolved.

Procedural part of this policy is applicable as it is on grievance received through "SCORES" (SEBI Complaints Redress System) \ or from exchanges following sebi circular CIR/MIRSD/18/2011 DTD. August 25, 2011 attached as annexure – A in the said circular.

This policy is to be reviewed as & when management thinks fit or whenever changes are mandated by statutory authorities.

**R.R.Chokhani Stock Brokers Pvt Ltd**

**Sd/-**

**Director/ Authorised Signatory**



