Arjeeta Commodities Trading Pvt Ltd

Policies & Procedures

1. Refusal of orders for penny / illiquid Commodity

The Commodities Broker shall have the absolute discretion, from time to time, to refuse/partially refuse/accept orders in one or more commodities due to various reasons including trading in penny commodities , market liquidity, value of commodity(ies) ,illiquid options, far month options, writing of options, market capitalization of the commodities and such commodity(ies) not in demat form, commodities which are not in the permitted list of the Commodities Broker / exchange(s) / SEBI and/or appear under illiquid commodities declared by the exchange(s). It is also provided further that Commodities Broker may ask for compulsory settlement / advance payment of expected settlement value/delivery of commodities for settlement prior to acceptance / placement of order(s) as well. Losses, if any, on account of such refusal by the Commodities Broker or due to delay caused by such limits, shall be borne exclusively by the client alone. The Commodities Broker shall not be responsible for any financial or other implications due to such execution, delay in execution or non-execution of any such orders.

The Commodities Broker shall have the prerogative to place such restrictions, notwithstanding that the client has sufficient credit or margin available in his account.

The Commodities Broker, may however, allow for acceptance of such orders, for certain commodities on its own discretion, through its specific internal process, instead of allowing such orders through the standard process like online trading platform or its branches.

2. Setting up client's exposure limits

The Commodities Broker, may from time to time, vary limits or impose new limits for the orders that the client can place through the Commodities Broker's trading platforms. The Commodities Broker would have the sole discretion on setting these limits based on its risk perception of the client, Margin received from the client, Market conditions and other factors, but not limited to, limits on account of exchange/ SEBI directions/ limits (such as Commodities Broker level/ market level limits in commodity specific/volume specific exposures etc.). This would include exposure limits, turnover limits, limits as to the number, value and/or kind of commodities in respect of which orders can be placed etc.). The client is aware that the Commodities Broker may be unable to inform the client of such variation, reduction or imposition in advance. The Commodities Broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the Commodities Broker's trading system on account of any such variation, reduction or imposition of limits.

The Commodities Broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in commodities through the Commodities 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 execution of orders due to but not limited to the reason of lack of margin / commodities or the order being outside the limits set by the Commodities Broker / exchange / SEBI and any other reasons which the Commodities Broker may deem appropriate in the circumstances. Losses, if

any, incurred by the client on account of such refusal or delay, shall be borne exclusively by the client alone.
The Commodities Broker shall have the prerogative to allow differential buy and sell limits for its clients depending upon credit worthiness, integrity and past conduct of each client.

3. Applicable brokerage rate

The Commodities Broker is entitled to charge brokerage within the limits imposed by exchange.

4. Imposition of penalty/delayed payment charges/other charges

The Commodities Broker would be entitled to levy or charge delayed payment charges not exceeding 24% per annum on any amounts which are overdue from the client towards trading or on account of any other reasons. The client shall pay to the Commodities Broker brokerage, all taxes, duties, levies to the commodities exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses, F&O charges, delayed payment charges, short delivery charges, auction charges, cheque stop payment charges, cheque bounce charges, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account /transactions / services that the client avails from the Commodities Broker.

The Commodities Broker may impose penalties / fines for any orders/trades / deals / actions of the client which are contrary to Commodities Broker Client Agreement/rules / regulations / Bye-Laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the Commodities 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.

5. **The right to sell client's commodities or close client's positions, without giving notice to the client, on account of non-payment of client's dues**. The Commodities Broker shall have the right and the prerogative to sell client's commodities, both unpaid commodities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is either a delay or failure of the client to meet the pay-in/settlement obligations and / or there is delay /failure of the client to bring additional margins to cover the increase in risk in dynamic and volatile market conditions.

The client would be responsible for monitoring his / her / its position (dealings/trades and valuation of commodity(ies)) on his / her / its own and provide the required/deficit margin / commodity(ies) forthwith as required from time to time whether or not any margin call or such other separate communication to that effect is sent by the Commodities Broker to the client and / or whether or not such communication is received by the client. The client is not entitled to trade without adequate margin and that it shall be client's own responsibility to ascertain beforehand the margin requirements for its orders/ traders/deals and to ensure that the required margin is made available to the Commodities Broker in such form and manner as may be required by the Commodities Broker. The client shall ensure that funds/commodities are made available in time and in designated form at designated bank(s) and depository account(s) of the Commodities Broker, for meeting his/her/its pay-in/settlement obligation of funds and commodities. The Commodities Broker shall not be responsible for any claim/loss/damage arising out of non-availability/short availability/delayed availability of funds/commodities by the client in the designated account(s) of the Commodities Broker for meeting the pay-in/settlement obligation of either funds or commodities. If the client gives orders/trades in the anticipation of the required commodities being available subsequently for pay-in/settlement through anticipated pay out from the exchange or through borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of commodities/funds for pay-in/settlement for any reason whatsoever including but not limited to any delays/shortages at the exchange or Commodities Broker level/non-release of margin by the Commodities Broker etc., the losses which may occur to the client as a consequence of such shortages in any manner such as on account of auctions / square-off / closing outs etc., shall be solely to the account of the client and the Commodities Broker shall not be responsible for the same in any form or manner whatsoever.

In case the payment of the margin/commodity is made by the client through a bank instrument, the Commodities Broker shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instrument & subsequent updation in records as per Commodities Broker's process. Where the margin/ commodity is made available by way of commodities, it is upto the Commodities Broker's discretion to decline its acceptance as margin &/or to accept it at such reduced value as the Commodities Broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the Commodities Broker may deem fit in its absolute discretion.

In the event of client failing to maintain or provide the required margin/fund/ commodity(ies) or to meet the funds/ margins/commodities pay-in obligations on immediate basis for the orders/trades/deals of the client and the Commodities Broker shall have the right, without any further notice or communication to the client, to withhold pay-out of funds/commodities, to liquidate commodity(ies), to disable trading facility to the client. Losses, if any, on account of any one or more steps, as enumerated herein above, being taken by the Commodities Broker, shall be borne exclusively by the client alone.

6. Conditions under which a client may not be allowed to take further position or the Commodities Broker may close the existing position of a client

The Commodities Broker may refuse to execute order of a client or may close the existing position of the client due to lack of margin / commodities or the order being outside the limits set by Commodities Broker / exchange/ SEBI. Other reasons for not allowing further positions or closing out of existing positions could be as:

a) Client has not met his pay-in obligations in cash by the scheduled date of pay-in for purchases done in CM segment.

b) Non-payment or erosion of margins or other amounts, outstanding debts, etc.

c) Client is dealing in illiquid scrips or contracts/penny commodity.

d) Cheque submitted by the client has bounced or clear funds not received with the Commodities Broker for the cheque submitted by the client.

e) If in the opinion of the Commodities Broker, the client has committed a fraud, crime, or acted in contravention to the agreement.

f) Non-Payment of Marked to Market loss in Cash.

g) Open positions in a contract exceed or are close to market wide cut-off limits.

h) Client's position is close to client-wise permissible “open” positions.

i) Intraday orders after the cut-off time would not be allowed.

7. Temporarily suspending or closing a client's account

The Commodities Broker can suspend/close the client account and also withhold the pay-outs of client if there is any judicial or/and regulatory order/action requiring suspension/closure of client's account. The Commodities Broker can also suspend/close the client account if the Commodities Broker observes any abnormal or suspicious activity in the client account through its monitoring and surveillance of the client account. The Commodities Broker may also temporarily suspend/close the client account if there is no activity in the client account for a period, as deemed fit by the Commodities Broker from time to time. The client's account can also be put under temporary suspension/closure if the client has not cleared the uncovered debit in its account or if the client has not submitted Know Your Client (KYC) details sought by the Commodities Broker to fulfil its own surveillance or exchange related requirements.

In the event of information/reports reaching the Commodities Broker of the client's death, the account can also be put under temporary suspension/closure.

The Commodities Broker can also put the client's account under temporary suspension/closure if the client has failed to provide or update its communication details like correspondence address, Mobile number, landline numbers or E-mail ID.

The client may also request the Commodities Broker to temporarily suspend/close his account, Commodities Broker may do so subject to client accepting / adhering to conditions imposed by Commodities Broker including but not limited to settlement of account and / or other obligation.

8. De-registering a client

The client has the option to De-register his account after settling his account with the Commodities Broker. The client would be liable to pay all dues in his account before the De-registration. The Commodities Broker shall have the right to terminate the agreement with immediate effect in any of the following circumstances:

a) The client account figures in the list of debarred entities published by SEBI.

b) The actions of the Client are prima facie illegal / improper or such as to manipulate the price of any commodities or disturb the normal / proper functioning of the market, either alone or in conjunction with others.

c) If there is any legal /regulatory proceeding against the client under any law in force.

d) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;

e) If the Client is in breach of any term, condition or covenant of this Agreement;

f) When the Commodities Broker is informed or ascertains that the client has deceased / become insolvent / not able to act in the market due to lunacy/disability etc.

g) The Commodities Broker shall have the right to close out the existing positions, sell the collaterals to recover any dues with or without consent of the client before the de-registration of the client.

h) Either party will be entitled to terminate the agreement without assigning any reason, after giving notice in writing of not less than 30 days to the other party.

Not with standing any such termination/deregistering, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination/deregistering , shall continue to subsist and vest in/ be binding on the respective parties or his/its respective heirs / executors /administrators/legal representatives/ successors as the case may be.

9. INACTIVE CLIENT ACCOUNT

A client account will be considered as inactive if the client account does not record any trade for 6 months. The trading activity of the client account shall be tracked and a client's account, where no trading is observed for a period of 6 months shall be categorized as inactive (dormant) and put under temporary suspension. Arjeeta Commodities Trading Pvt Ltd would be placing such accounts under temporary suspension. Once the account is under temporary suspension, the client would not be allowed to login to his account or trade (place orders) either through online mode or by calling/visiting its service branch.

REACTIVATION: the client can get such account(s) reactivated by placing a reactivation request. The client needs to submit the "Commodities Account Reactivation Form" in hard copy directly to our Head office.
Alternatively the client can submit the same at the nearest service branch as well Arjeeta Commodities Trading Pvt Ltd shall also have the discretion to reactivate a trading account, after doing adequate due diligence, as the company may consider fit and proper.

CLIENT ACCEPTANCE AND ACKNOWLEDGEMENT
These policies and procedures may be amended/changed by Arjeeta Commodities Trading Pvt Ltd, provided the change is informed to the client through any one of the means or method like posting on the website of Arjeeta Commodities Trading Pvt Ltd or sending by speed post / courier / registered AD/ e-mail. These policies and procedures are to be read along with the document executed and shall be compulsorily referred to while deciding any dispute / difference in claims in between client and Arjeeta Commodities Trading Pvt Ltd in any court of law, judicial / adjudicating authority, including arbitrator, mediator etc.

10. PRE- FUNDED INSTRUMENT

It's a Master Policy of the Company for the acceptance of Prefunded Instruments .This policy is Subject to the rules and regulations of the Exchange from time to time

Title: Acceptance of Prefunded Instrument for trades on Exchanges

Coverage: Head office, all the branches of the Company and all the franchisees of the company wherever trading terminals / IBT terminals are there.

Scope: Acceptance of Prefunded Instruments like Demand Draft/ Pay order/Bank Guarantees from a client against Payin Obligation / Margin

Procedures: The Prefunded Instruments must be accepted only in following special circumstances;
1) lf there are Bank Holidays on the following day
2) lf the client does not have an account in the Client Accounts in which the company has accounts

3) lf the client wants to create a position immediately and has no other way of transferring funds
4) lf the Bank account of the client is in a cooperative bank, which may take some time for the cheque to be cleared
5) lf the company Bank accounts clearing branch is not available in the city/village where the client has his bank account.
6) If the client profile is risky to accept any cheque and RTGS/NEFT transfer is not possible.

Permissible Limits: The Prefunded lnstruments must be accepted only in cases mentioned above and not otherwise Approval for acceptance must be taken by either of the executive Directors or the Managing Director and only then credit should be given and should not aggregate to more than Rs 50,000/- per day.
a) lf a pre-funded instrument aggregating to Rs 50,000/- or more is received by us in a day, from a client, it should be booked by a letter from the bank stating that the instrument ' has been issued from the clients bank account registered with us
b) In case of funds received through RTGs or NEFT we must ensure that the funds are remitted from the bank account registered with us In cases where it cannot be ascertained we must ask for a Bank letter from the bank stating the bank accounts details of the client

Objective: The Objective of this policy is to minimize the frequency of acceptance of Prefunded Instrument, specially Demand Draft where there is a difficulty in tracking the correct source of issuance.

11. ERROR HANDLING AND CLIENT CODE MODIFICATION POLICY

OBJECTIVE: To frame the guidelines for modification to client codes post trade execution /online trade modification / Client code modification and reporting of such Client Code Modifications.

BRIEF ABOUT CLIENT CODE MODIFICATION: Client Code Modification means modification / change of the client codes after execution of trades. Commoditiy Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case genuine errors in punching / placing the orders. It is to be used as an exception and not a routine. To prevent misuse of the facility Stock Exchanges levy penalty / fine for all non-institutional client code modifications.

SCOPE OF THE POLICY: This policy covers all the Client Code Modifications carried out / to be carried out in any of the client accounts controlled by Director, subject to the guidelines issued by the MCX from time to time, in F&O segment of MCX for which is Arjeeta Commodities Trading Pvt Ltd is a Trading Member. “Error Trades” means the trades which will be modified / to be modified / allowed, to be modified subject to guidelines of the MCX and this policy.

PLACE FOR CLIENT CODE MODIFICATION: Any Client Code Modification shall, subject to compliance of this policy, be carried out by RMS at HO of all the Error Trades happened.

THE POLICY

a: The modification to the client codes of non-institutional trades is done to only rectify the genuine error in entry of client code at the time of placing / modifying the related order.

b: Genuine errors in client codes for purpose of modification are identified strictly in accordance with the objective criteria for the purpose laid down by the MCX.

c: In no circumstances, the turnover of non-institutional trades where client codes have been modified in any segment during a month exceeds 1% of the total turnover of non-institutional trades in that segment entered into by Arjeeta Commodities Trading Pvt Ltd. Any employee responsible for such laps is liable to appropriate disciplinary action.

d: The reason for modification is ascertained and analyzed and genuineness is established and also its impact on the clients is studied before the modification. If voice recording is in practice, the same is studied.

e: Therefore the issue is reported to the senior level Manager/Director and only with his/her approval, the modification is carried out after being satisfied that it is genuine, the same is done to protect the interests of the client.

f: Client code modification facilities are disabled from all the dealer terminals.

g: Hence the facility to modify the client codes is available only at the Corporate Manager level and is not given to the branches/authorized persons.

h: Complete records of daily online trade modifications are maintained in soft form.

i: Any offline back office client code modification is strictly prohibited.

j: Training program is conducted to all the Dealer and they are explained how code modifications can be misused and what steps should be taken to avoid the same. It is also explained that code modifications should not be recommended to clients except for cases like 'punching errors'/ 'typing errors'.

k: A register is maintained for recording all the code modifications with details like error code, correct code, scrip name, quantity, client name, the name of the dealer who punched the code, the terminal ID where the order was punched, the explanation of the dealer/Branch Manager, the 'analysis /study' of the authorized Manager and his approval/disapproval for modification.

l: Finally the decision of the authorized Manager should be reported to the designated Director for ratification or any other appropriate action.

PENALTY: The penalty or fine, if any, levied on for any wrong trade occurred due to any miscommunication from the client / authorized representative of the client shall be borne by the client.

12. Managing conflict of interest

Introduction: SEBI, vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 has laid down the guidelines requiring registered intermediaries to establish and implement a conflicts of interest policy (hereinafter the "Policy").

To adhere to the above guidelines, the Company is required to take all reasonable steps to identify, eliminate or manage conflicts of interest. The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients.

This Policy is not intended to, or does not create third party rights or duties nor does it form part of any contract between the Company and any client.

Purpose: The purpose of this Policy is to set out the Company's approach to identify and manage conflicts of interest which may arise during the course of its business activities.

This Policy aims at:

a. identifying circumstances which may give rise to conflicts of interest entailing a material risk of damage to clients' interests,

b. establishing appropriate procedures and systems to manage those conflicts, and

c. ensuring the maintenance of such procedures and systems in an effort to prevent actual damage to clients' interests through conflicts identified.

Scope: The Policy applies to the Board of Directors and Employees of the Company (collectively referred to as "Employees") and relevant associated persons as defined in SEBI (Certification of associated persons in the securities market) Regulations, 2007 with respect to all interactions with the clients.

Potential conflicts of interest areas

1. The Company or employees or relevant associated person(s) is/ are likely to make a financial gain, or avoid a financial loss, at the expense of the client.
2. The Company or employees or relevant associated persons has/have an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in the outcome.
3. The Company or employees or relevant associated person(s) has/have a financial or other incentive to favor the interest of another client or group of clients over the interest of one client.
4. The Company or employees or relevant associated persons receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Procedures and controls to managing Conflicts of Interests: The procedures and controls that the Company follows to manage the identified conflicts of interests include the following:
1. Effective procedures to prevent or control the exchange of information in the activities involving a risk of conflict of interest where the exchange of that information is likely to harm the interest of one or more clients;
2. Measures to prevent or limit any person from exercising inappropriate influence over the way in which commodity market services are carried out;
3. physical separation of departments restricting flow of confidential and price sensitive information within the Company and sharing of information only on a "Need to Know Basis". The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Group level.
4. A policy designed to limit the conflicts of interests arising from the giving and receiving of inducement, as per the gift policy applicable at Group level.
5. Appointment of Independent Internal auditors to ensure that appropriate systems and controls are maintained and their effectiveness or otherwise is being reported to the Company's Board of Directors.
6. Personal account dealing requirements applicable to employees in relation to their own investments needs an approval from the Compliance Team by submission of an Investment Request Form. The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Group level.
7. Provisions governing access to electronic data as per the 'Mobile Phone Usage Policy' of the Company and 'Prevention of Circulation of Unauthenticated News.
8. The employees are governed by measures laid down in the internal code of conduct and other policies which include the following:
a. restrictions on dealing in securities while handling client's mandate or while in possession of material non published information, or communicating such information while dealing on client's behalf, manipulating demand or supply of securities or influencing their market price. The same shall be governed by 'Prevention of Insider Trading Policy' applicable at Ambit Group level.
b. Restrictions on an incentive structure that encourages sale of products not suiting the client's risk profile.
c. Restrictions on divulgence of client's confidentiality unless required by or under the law.

d. The associated persons shall at all times maintain high standards of integrity in the conduct of their business followed by compliance reporting to Board of Directors and senior management.
9. The Company's Compliance team has oversight on the business to ensure that internal controls are appropriate.
10. The Board of Directors of the Company and the Compliance team share the responsibility for keeping the Policy in place. Any situation or transaction involving an actual or potential conflict of interest should promptly be reported to the Compliance team and obtain their determination as to whether a conflict exists.

11. Where a conflict arises and the Company is aware of it, it will disclose the conflict to the client prior to undertaking the business for that client or, if the Company does not believe that the disclosure is appropriate to manage the conflict, the Company may choose not to proceed with the transaction or matter giving rise to the conflict.
12. Periodic review of the Policy will be done at the Board Meeting of the Company. The same shall be need basis. Violation and Consequences Any non- adherence with the Policy will be subject to strict action.
Disclosure: The Company reserves the right to make review and / or amend its Policy and whenever it deems appropriate.

13. Assessment of activities outsourced

1. INTRODUCTION: Outsourcing refers to use of a third party – either within or outside the group - to perform the activities associated with intermediation services. A third party may be used to perform one or more activities or one or more third parties may be used to perform different activities associated with the intermediation service. Such use may be for a specified period or on a continuing basis. In an extreme form, the third parties may be used to perform all the activities associated with the intermediation service, including legal and regulatory compliances and risk management. This includes use of successive third parties, where the first third party may use the second third party to perform the activities and so on.
Securities market intermediaries in many jurisdictions are increasingly resorting to outsourcing with a view to reduce costs, and at times, for strategic reasons. This benefits market in terms of better access and better expertise. However, since the third parties may not be subject to the regulatory discipline and the activities and, not the accountability can be outsourced, outsourcing raises a variety of concerns both for the regulator and the outsourcing Intermediaries. While it is not desirable to ban outsourcing completely for obvious reasons, the concerns need to be addressed and the outsourcing needs to be organized in an orderly manner. Hence Arjeeta Commodities Trading Pvt Ltd has framed a Policy for outsourcing of its Few Activities.
2. RISKS ASSOCIATED WITH OUTSOURCING: Arjeeta Commodities Trading Pvt Ltd knows that risks attached to outsourcing are numerous. They can be grouped into three broad categories: operational, reputational, and legal risks. The operational risks arise because the We, ACTPL loses direct control over the activities and the processes, procedures, systems and people engaged in these activities. Therefore, it fails to exercise due care and diligence if the activity / service falls short of the regulatory standards. The reputational risks arise from failure by the third party to deliver as per regulatory standards which may invite regulatory actions. The legal risks emanate from the failure to enforce the contractual obligations particularly when the contractual relationship is not redefined with every change in basket of activities outsourced or the way these are discharged.

On being satisfied that a person has the required infrastructure and is a fit and proper person, We (ACTPL) may outsource the activities to a third person. Who does not have the infrastructure or may not be a fit and proper person.

I. ACTPL seeking to outsource activities should have in place a comprehensive policy to guide the assessment of whether and how those activities can be appropriately outsourced. The board of directors or equivalent body representing the ACTPL shall have the responsibility for the outsourcing policy and related overall responsibility for activities undertaken under that policy.

II. ACTPL should establish a comprehensive outsourcing risk management programme to address the outsourced activities and the relationship with the third party.

III. ACTPL should ensure that outsourcing arrangements neither diminish its ability to fulfill its obligations to customers and regulators, nor impede effective supervision by the regulators.

IV. ACTPL should conduct appropriate due diligence in selecting the third party and in monitoring of its performance.

V. Outsourcing relationships should be governed by written contracts / agreements that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of the parties to the contract, client confidentiality issues, termination procedures, etc.

VI. ACTPL and its third parties should establish and maintain contingency plans, including a plan for disaster recovery and periodic testing of backup facilities.

VII. ACTPL should take appropriate steps to require that third party's protect confidential information of both ACTPL and its customers from intentional or inadvertent disclosure to unauthorized persons.

VIII. Regulators should take into account outsourcing activities as an integral part of their ongoing assessment of the regulated entity. Regulators should assure themselves by appropriate means that any outsourcing arrangements do not hamper the ability of ISBPL to meet its regulatory requirements.

IX. Regulators should be aware of the potential risks posed where the outsourced activities of multiple intermediaries are concentrated with a limited number of third parties.

3. ACTIVITIES THAT CAN BE OUTSOURCED BY ACTPL

- Data entry and opening of trading accounts
- Scanning and storage of account opening forms
- Printing and dispatch of welcome kits and dispatch of quarterly transaction statements
- Customer services
- Dispatch of contract notes
- Stock brokers acting as distributors for Mutual Funds schemes - distribution, maintenance of nomination details by distributors for the various schemes of Asset Management Companies, etc.

4. ACTIVITIES THAT SHOULD NOT BE OUTSOURCED BY ACTPL: Since ACTPL (STOCK BROKER) is registered based on their strength, outsourcing of key activities by them to unregistered third parties defeats the purpose of regulation. It is therefore felt that the key activities which are crucial to the intermediation service may be delivered by the ISBPL itself. The informal feedback indicates that the compliance with securities laws, investor grievance redressal and KYC must not be outsourced under any circumstance. Besides, the following activities ought not be outsourced to third parties:

- Creation of user id/login id, password generation for internet clients
- Order management
- Operation of trading terminals
- Operations & Monitoring of Bank A/cs & DP A/cs
- Pay in / pay out of funds and securities
- Generation & dispatch of contract notes, quarterly statement of accounts, daily margin statement and monitoring of the said activities.
- Control of servers and online trading platform

- Maintenance & monitoring of client database & client financial information
- Surveillance function
- Allotment / surrender of trading terminals, opening & closing of branches
- Implementation of PMLA policies
- Risk Management system (which includes margins, trading limits, scrip / terminal enablement etc.
- IT Technology Infrastructure
- Printing of contract notes

14. Designated Principal Officer

In case any further information /clarification is required in this regard, **Mr. Achint Mathur** Principal Officer may be contacted at achint.mathur@arjeeta.com.