

GIVE HEREUNDER OUR PROCEDURE WITH RESPECT TO THE VARIOUS ADDITIONAL POINTS AS REQUESTED BY YOU:

1. Client Registration, Documents maintenance

- Persons are added as clients only after they have had a meeting with the director of the company.
- The Application forms for opening an account are issued only when the management is satisfied with the client's financial capacity to trade in stock market and after the prospective client provides the valid reference for his account.
- Know your client form duly complying with the mandatory requirements specified by the SEBI & Exchange are processed further along with pre-franked Agreement / Stamp paper of requisite amount, Supporting documents, proof of bank account, etc are collected from all the clients. The forms are accepted only after they have been duly filed by the client.
- Verification of the name of prospective client against the database of debarred/banned entities is also done; like information relating to defaulters on www.cibil.com and vanishing companies database, prosecution database on www.sebi.gov.in
- Based on circulars / directions issued by SEBI/ exchanges & list of banned entity from time to time, the PAN of debarred clients is blocked in our system. We check the identity of the clients and same should not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide
- The details are entered in the back office software by the maker of the document. Further a senior person acts like a checker to see that the details have been properly entered in the back office software to avoid any issue in future.
- The clients only through reference are entertained. The financial capability of the client is assessed on the basis of the balance sheet, profit and loss, income tax return, wealth details, etc which shows the financial position. 2 years balance sheet is taken from corporate clients. The individual clients are not comfortable providing the financial document, and hence a declaration is considered on the basis of the comfort of the organisation vis a vis the client.
- The client registration modalities are carried out in-house and not outsourced.
- The documents are stored at the office and filed properly for easy retrieval whenever required.
- The financial capability of the client is assessed on the basis of discussion / disclosure / income tax document like ITR return or Income tax order.
- With reference to updation of client's financial information, the clients are requested in the statement sent on quarterly basis to provide the details. Client have also been sent draft letter for providing the feedback.

- With reference to the other particulars of the client information, the same is checked on the basis of cheque received for bank information, demat receipts for demat account and return of posts for check of addresses. Additionally the clients are given reminders in the quarterly statements to provide update on the changes, if any.
- We have proper make checker concept to avoid misuse of information provided in the KYC.
- Any change in address, e-mail id, contact details, etc is entertained on proper written request.
- In-person Verification is conducted by the various employees of the company. A company employee visits the clients in person to carryout the in-person verification.
- The duly executed client registration documents are sent to clients by courier along with the welcome letter or the documents are handed manually to the client.
- The UCC is uploaded by the back office and the compliance officer or manager of the Client Registration carried out this activity before any trades are inputted on behalf of the client.
- We don't have any separate marketing division and no norms are specified for the same.
- We have not launched any promotional schemes till date.
- The clients are informed about the risk associated in equity / derivatives / securities trading at the time of their registration.
- We don't offer any type of freebies like free demat a/c, etc. to our clients.

Sales Practices followed by the Trading Member

- The company does not have any separate sales / marketing department. The company is very particular about the client being registered and hence clients coming through reference or financial standing are only registered.
- The company does not have any marketing division and has not launched any promotional schemes for registration / enrollment of clients.
- The clients are appraised about the risk disclosure document and make them aware of the contents regarding the risk associated with the securities market.
- The company does not offer any freebies to the clients. All the services provided are charged as per the agreed terms.

Closure of Client accounts/ dormant accounts

- An account (irrespective whether having debit or credit balance) shall be classified as dormant account in case there are no transactions (trade, payment, receipts) for a period in excess of 12 Months from the last transaction date. The following limitation /

restriction shall apply to a dormant account unless the same is re-activated: 1. Account shall be frozen for further transaction. 2. Pay-out of funds and/or securities will be retained by the Woodstock Broking Pvt. Ltd.

- As a company policy, clients account once opened are not closed, although the client may not trade at all over a long period of time.
- A dormant account can be re-activated when client submits a written Request or he communicates telephonically or by e-mail. However such activation shall be subject to due verification of the clients identity.

Order Receipt and Execution

- The Organization setup is small and all the client are personally known to management, their financial position is known and the dealer is aware of the risk appetite of the client which helps in better control.
- The company has restricted the access to the dealing office only to the authorized persons who are dealers of the company.
- The approved clients are informed of the dealers who would be responsible for receiving, validating and entering the orders on behalf of them.
- The orders are received over phone, through personal instructions when they are in the office. The orders are duly confirmed at the time of entry itself when the orders are inputted in the system. The organisation have a telephone recording system.
- To give better & personal service to the clients they are divided group wise among the dealers so that particular dealer can serve a particular group of clients which helps dealer to understand client investment strategy in a better way & serve them accordingly. The concerned dealers have access of back office system in which the clients balance positions are updated daily and on the basis of the same the exposure is determined by the dealer. In cases exceeding the normal trading pattern, the dealer contacts the RMS department to decide on the trade. The order are entered instantly as given by the client without any delay. The orders are inputted as informed by the clients and no discretionary power is used if the order meets the requirement of margin and other risk management parameters.
- The orders are received from the clients only or through an authorised person as may be informed to the organisation.
- On execution of valid order into exchange system, dealers confirm the trade with the client so as to avoid any future dispute.
- At the end of the trading hours, the dealer informs the clients about the execution of the orders placed by the clients.

- After market hours, back office team informs the client about their executed trades for the day and also about their obligation towards Pay-in & Pay-out of funds & securities for the particular day through phone.

Sending Contract Notes, Daily Margin statement, Quarterly Statement of Accounts to clients.

- The organisation sends contract notes and daily margin statements within 24 hours of execution of the trade (ie. Within 1 day) by courier, fax or hand delivered.
- The activity of sending contract notes, daily margin statement and quarterly statement of accounts to clients has not been outsourced to any person.
- The documents sent by courier the proof of dispatch (POD) is maintained, in case of fax confirmation report is maintained and in case of hand delivery, acknowledged copies of the documents sent are maintained.

RISK MANAGEMENT

Collection, maintenance & reporting of margins:

- In the cash segment, margin collection is not mandatory. Thus, in the cash segment the trade done on behalf of clients are monitored properly and in case of clients who are new, the director may take a call of collecting margin / early pay in of the shares if risk is felt by the director, as may be required.
- The company is not providing a margin trading facility.
- In the Derivatives Segment,
 - no transaction are executed for clients until the initial margin has been collected from them. Funds or shares are received from the clients as margin.
 - the client shares received as margin are kept in the separate client margin demat account or with the clearing member as may be required.
 - the cheques received from clients as margin, are deposited in the clients bank account.
 - the exposure of the client is accessed on the basis of the margin received from them. The RMS team / Senior staff at times is required to take decision on the orders of the clients on the basis of their assessment of the risk appetite of the client and the trades being done by them.
 - the margin given and the balance lying to the credit of the client is assessed before entering any orders on behalf of the clients.

- The margin report downloaded from the exchange is uploaded after checking the amount as lying with the organisation. The uploading of the margin report is done by the back office staff and the status of the uploaded file is checked on the next day regarding the success or failure.

Monitoring of debit balances

- The monitoring of the debits of clients is done on daily basis.
- we have a system of periodic reconciliation of client accounts and even try to nullify the account on periodic basis at the comfort of the client so as to make the balances Nil. The statement of accounts sent on quarterly basis.
- In respect of clients having outstanding debit balances, the past history of trading and the financial standing is considered and depending on the risk perception additional trading would be allowed or the trading for the client may be stopped if required.
- We will apply delayed payment charges (DPC) at the rate of 15 % p.a. on a daily basis from the settlement date on all outstanding obligations. The client understands that such DPC is deterrent in nature & as such Woodstock Broking Pvt. Ltd. can not be assumed to be financing/funding the client's settlement obligations.

Allotment, Surrender of trading terminals

- The Limit setting of the terminals is decided on the basis of the funds margin and securities value given to the member
- In case any terminal gets surrendered then the client would be mapped to the head office for further trading and in case if the client specifies any particular location from where he want to trade then the client is mapped to that terminal.
- The terminals are installed / activated only after complying with the regulatory requirement of informing Exchange and uploading of the details of the authorized user.

Payment, Receipt of funds from / to clients

- All of the clients have given consent to the company to maintain running accounts on their behalf to avoid trouble of receiving / paying funds on daily basis.
- The company collects and releases funds through banking channels i.e. Account Payee Cheques only.
- The accounts department keeps proper co-ordination with DP team regarding Pay-in of shares by clients and then releases the Pay-out cheques to the client. In case of shortage of shares, the amount is released as per the decision of director to give part money or not.

- Company releases payments of the clients either by hand delivery to the authorized persons intimated by the clients or by courier to the client's address. In some cases cheques are directly deposited into client's account.
- The collections of funds from clients are also transacted in above manner, cheques are sometimes directly deposited by the clients.
- We settle the client a/c on quarterly basis.

Receipt, Delivery of Securities from / to clients

- The company receives the deliveries of securities from the clients in the pool accounts intimated to the clients.
- The company also reconciles its pool, principle, CISA and client beneficiary account on a daily basis.
- We make maximum payout of securities on daily basis and for some clients on quarterly basis.

Liquidation of client position

- The organization does not have a system of squaring off the position of a client or Liquidation of securities without the consent of the client. The organization tries to have extra margin so that client positions are not forced to be squared off. Clients are priorly informed about the margin requirement and as the clients normally give the margin or square off their position on their own. Clients are warned / informed that their position may be squared off incase of shortfall of margin / pay-in default for the shares bought in the cash market. The clients are contacted and informed about the margin requirement over phone by the company staff .
- In case of shortfall, the clients are informed to deposit the cheques in the bank account or securities are told to be transferred to the client margin account. The client is given sufficient time to act on the margin shortfall.
- Margin calls being made on phone.

Policy for internal shortages

- In case of an internal shortage in any scrip in the same settlement where both buyer & seller are clients of Woodstock Broking Pvt. Ltd. and seller does not deliver shares for his pay-in obligation:
- The short delivering client is provisionally debited by an amount equivalent to 120% of closing rate of day prior to pay- in / payout day.

- The securities delivered short are purchased from the market on T+3 day which is the Auction day on Exchange, and the purchase consideration along with auction penalty is debited to the short delivering seller client along with the reversal entry of provisional amount debited earlier.
- If securities can not be purchased from market due to any force majeure condition, then all shortages not bought-in are deemed to be closed out and short delivering seller client is debited as under:
- Exchange NSE: at the higher of (i) the highest price between the first day of the trading day till the day of or auction (ii) closing price on the auction day plus 20%

Transfer of trades

- Genuine punching errors in client codes while placing orders shall be allowed to be modified.
- Client code modification facilities shall be disabled from all the dealer terminals.
- Client code modification shall be carried out only after prior permission from Compliance officer Mr. Giriraj Jhawar or Mr. Jugal Bajaj, Director
- While carrying out code modification, genuineness of the punching errors shall be verified against corroborative circumstantial evidences like similarities of codes, trades in immediately preceding codes, square off trades without holdings or position or any such other evidences shall have to be taken into account.
- Complete records of daily online trade modifications shall be maintained.
- All such Genuine Error code modification shall be carried out through UCC registered 'ERROR' account. Any rate difference including transactions costs shall be settled between the concerned accounts by passing JV of appropriate amount.
- The Penalties, if any charged by the Exchange/Any Regulatory authorities shall be passed on to the concerned client if the reason of the error is attributable to any negligence on their part else shall be born by the company.
- Genuine punching errors in client code, if detected after the end of post closing sessions may be allowed to be modified subject to the verification of genuineness as narrated above.
- For F&O and CDS segment, as far as possible, the errors would be rectified by reversal trade in next trading session and the rate differences shall be set off by passing a JV entry in the ledgers of affected clients. In case the client do not agrees to keep such wrong trade record in his account, such trades may be rectified by moving both legs of the trades to the UCC Registered account of actual client or 'Error A/c.' instead of settling it through JV entry.

- For Cash segment any such errors would be rectified after verifying genuineness.
- Any such back office client code modification shall be carried out only by Compliance officer Mr. Giriraj Jhawar or Mr. Jugal Bajaj, Director
- A register containing required details shall be maintained for all such modifications

Investor Redressal Mechanism

- The register of complaints is centrally maintained under the observation and control of the compliance officer.
- The e-mail id for redressal of investor grievances is informed to the clients by the quarterly statements sent and even on the website of the organization.
- There are no investor complaints pending with any of the Exchanges
- The director / senior employee is responsible to see that there are no investors pending.
- There is an escalation mechanism in case if any investor complaint does not get redressed by the director / incharge or by the senior staff.
- The compliance officer personally looks into the regular operations and monitors and controls the operations to ensure that cheque received from clients at branches are properly accounted in the respective client ledger only.
- In case if any transactions carried out in dormant accounts (not being operated in last 12 months), then before entering the transaction the dealers enquires about the same from the head dealer / director before entering the trade and thus enters a trade only after verifying the authenticity of client entering the order.
- No employee of the organization are exercising POA to operate client's bank and demat accounts?

XI) BRANCH /SUB-BROKER, AUDITS

- The organisation has an Internal Audit system that is commensurate with the nature, scope, size of business operations. The financial as well as compliance audit are carried out on regular basis. The internal audit reports for broking are sent to the regulators before the due date.
- The irregularities and recommendations/ suggestions pointed out in Internal Audit reports are considered by the Board of directors in the meeting and effective steps are decided for better control. The implementation of the decisions are reviewed in the next meeting.
- Quarterly follow ups are done for implementation of recommendations / suggestion set out in the Internal Audit reports.

XII) PMLA

- Woodstock Broking Pvt. Ltd. PMLA Policy: Woodstock Broking Pvt. Ltd. PMLA is closely monitored by the Principal Officer, Development Team & KYC Team in coordination. Woodstock Broking Pvt. Ltd. PMLA team will ensure that there No Benami Accounts are opened. Further Woodstock Broking Pvt. Ltd. PMLA policy aims to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. The KYC Registration Procedure at Woodstock Broking Pvt. Ltd. is so entailed that it leaves no loop for such opening or flow of money within Woodstock Broking Pvt. Ltd. Business Financial structure. Woodstock Broking Pvt. Ltd. PMLA Team ensures to sent frequent write ups whenever the Quarterly Statements are sent to the end client.
- The Company has designated Shri Giriraj Jhawar as the Principal Officer for its Anti-Money Laundering Program, with full responsibility for the Companies AML program is qualified by experience, knowledge and training. The duties of the Principal Officer will include monitoring the Companies compliance with AML obligations and overseeing communication and training for employees. The Principal Officer will also ensure that proper AML records are kept. When warranted, the Principal Officer will ensure filing of necessary reports with the Financial Intelligence Unit (FIU – IND) The Company has provided the FIU with contact information for the Principal Officer, including name, title, mailing address, e-mail address, telephone number and facsimile number. The firm will promptly notify FIU of any change to this information.
- Woodstock Broking Pvt. Ltd. KYC Team ensures that No account is opened in a fictitious / benami name or on an anonymous basis. It is opened by name, which disclosed in Income Tax PAN Card or Voter Identity card or Ration card or driving licenses. The Team also ensures that Beneficial Accounts are opened in the name respective client Name only. The system as entailed will ensure that whoever is registered as client is a genuine person within the eyes of Law and not a Benami individual.
- If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, our firm will not open the new account.
- Clients are identified on the basis of the various proofs collected at the time of opening the KYC i.e. KYC team ensures to collect the following Proofs with each and every client registered: 1. Identity Proof 2. Address Proof 3. Certified copy of PAN Card.

Woodstock Broking Pvt. Ltd.

**7th Floor, Ncl Building,
Plot No. C-6, "E" Block, Near City Park,
BKC, Bandra (E), Mumbai - 400 051
Tel. No. 022 26592850**

SEBI Regn. No. INZ 000242835

- Whatever Documents are collected are basically Government approved proofs and the Proofs that will establish substantiality of the facts. Proofs that are submitted are verified with Original Proofs throughout Woodstock Broking Pvt. Ltd. client registering Monitoring Machinery.
- Woodstock Broking Pvt. Ltd. PMLA TEAM check 'Black List of Defaulter' on RBI site & SEBI site before making agreement with prospective client so that we can identify whether prospective client is defaulter or not. KYC Team will allot a unique client code (UCC) to our clients, which should be Unique in nature and easy to identify the client. KYC Team further calls for the Financial Details of the clients whenever the Yearly Statement are sent across to the clients.
- The Woodstock Broking Pvt. Ltd. Back Office Software have a facility to categorize clients in 3 category i.e. Low Medium & High. The risk assessment of the client is done at the time KYC procedure is done and it is periodically assessed by senior Compliance Officer of the company. Woodstock Broking Pvt. Ltd. being a small Broking House have its cliental basically in the nature of Relatives, Directors & Employees. We have generally Low risk clients and in exceptional case of the clients belonging to High risk Assessment Procedure is carried out by interactions directly held up with the Managing Director. The clients are interviewed to know the nature of the client and even the type of trading to be done by him. Further movement of funds and securities are tracked and checked to identify the person who beneficially own or control securities account.
- The principal officer regularly reviews the transactions done by the various clients and the scripts in which they have dealt. Additionally the principal officer discusses daily with the risk management team, person handling securities and funds to update on any untoward incident that requires special attention. All the person are a part of the policy drafting team and have idea on the various responsibilities that are to be conducted. Additionally regular training and discussions are held to update with the latest circulars / warning being given by the exchange or the depository.
- Further the principal Officer uses software which helps in tracking that no account is opened in a fictitious /benami name.
- Further the principal officer using the various features of excel tries to generate alerts based on set parameters for suspicious transactions.
- Further the principal Officer specifically guides the Accounting Team that no Authorizations shall be made for cash transactions.
- Further it is also ensured by the Accounting Team that the Funds are collected from the identified Accounts only. The Payments to the clients through cheque, it is ensured that they are in the name of the clients only.

Woodstock Broking Pvt. Ltd.

7th Floor, Ncl Building,
Plot No. C-6, "E" Block, Near City Park,
BKC, Bandra (E), Mumbai - 400 051
Tel. No. 022 26592850

SEBI Regn. No. INZ 000242835

- Further the principal Compliance Officer of the Woodstock Broking Pvt. Ltd. will ensure, If any suspicious transaction is found then the same is reported to the FIU by the principal officer.
- Woodstock Broking Pvt. Ltd senior Officers & RMS Team in coordination analyze client account for a particular period on random or logical selection of client, which should cover at least the followings:
 - Customer's background Type of customer
 - Business of Customer
 - Type of securities in which transaction entered
 - Nature of transaction
 - Value of transaction and turnover
 - The customer's account shows an unexplained high level of account activity

Suspicious Transactions:

The organisation has a proper PMLA policy and the same has been implemented within the organization. Any transaction that is done by a client specified under High risk category or done by an NRI client or trades done in scripts which are found to be illiquid or manipulative nature are tracked. If such transactions are found to be problematic then further scrutiny or enquiry is made by the principal officer and if found to be suspicious then the same is informed to the FIU.

Trading Member has maintained and preserved all such records of transactions which are prescribed under Rule 3 of PMLA and has ongoing Training program for staff members and investors. However till date we have not come across any transaction that gets covered under the requirement of PMLA transactions, but as all the records are maintained till date, the information regarding any trade can be enquired and found out as and when required.