

RISK MANAGEMENT POLICY

INTRODUCTION:

This is a policy document for guiding the stock broking operations of the organization. This Document is for internal use and not for circulation.

CLIENT REGISTRATION:

This is first stage of contact with the client. It is very important to take adequate details from the clients to maintain a record of the details of the clients.

1. Company registers client by obtaining the Client Registration Form which is foremost requirement of exchange. In this form the basic details of the clients are obtained i.e.
 - a. Name of client: Which is used to identify the client.
 - b. As per SEBI circulars number MIRSD/Cir-23/2011, MIRSD/Cir-26/2011 dated December 2, 2011 & December 23, 2011 and other circulars / guidelines issued from time to time client KYC has been carried out at the time of account opening.
 - c. For Corporate client Board Resolution, Memorandum of association & article of association of company, Shareholding pattern, Details of Authorised Persons and Directors and any such other documents/details specified by SEBI/ Exchanges from time to time
 - d. Pan card of all Clients.
 - e. All these documents form part of KYC Norms, which will be taken from all the clients and will be verified from the Income Tax Website.
 - f. Bank Details of the client along with the proof of the same i.e. Photocopies of the bank pass book, cancelled cheque with sign, bank passbook or letter from the Bank so that company can keep track of the third party payment i.e. amount paid through other persons' account.
 - g. DP accounts details for giving & taking delivery of securities. Proof of the DP Account holder name will be taken. This is also for restricting third party

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delivery of the security i.e. security of client given to other persons or taking delivery of other persons.

RISK DISCLOSURE DOCUMENT:

Trading in securities market involves risks of various nature. Clients need to be educated and informed about the risks involved and the company as a policy will issue the RDD to all its clients and obtain a signature on the copy.

BANK ACCOUNTS:

Client Bank Account will be used only for the purpose of receiving and paying funds from the clients. For the payments of expenses the business account will be used. Fund Transfers between all the bank accounts will be allowed as per requirements.

RECEIPT FROM & PAYMENTS TO THE CLIENTS:

The cheques from the clients will only be accepted from the accounts for which the client has submitted the proof to the company. In case of any receipt from the accounts for which the proof is not available the same will be demanded from the clients.

Payments for the payouts will only be made to the clients and not to any third party.

DEMAT ACCOUNTS:

The securities of the client will be kept in client's own demat account with and a Power of Attorney will be executed for the purpose of pay-in of client securities towards client's pay-in obligation and for the purpose of Pledging the Securities in our favor for replying the same in favour of Clearing Member / Clearing Corporations, in terms of guidelines and directions issued by SEBI and Exchanges from time to time. The company will be kept in a separate demat account termed as Own Beneficiary Account.

RECEIPT AND DELIVERY OF SECURITIES:

The securities from the clients will only be accepted from the accounts for which the client has submitted the demat proof to the company. In case of any receipt from the accounts for

which the proof is not available the same will be demanded from the clients. Delivery for the payouts will only be made to the clients and not to any third party.

CONTRACT NOTES:

Company will issue contract notes to its clients within 24 hours from the day of trade takes place either through electronic or physical mode as opted by the client.

STATEMENT OF ACCOUNTS:

The statement of accounts will be sent to the clients on a quarterly basis within one month of the end of the relevant quarter, as it will help avoid discrepancies in future.

EXPOSURE TO THE CLIENTS:

The company will allow the trading margin to the clients as per the available ledger balance and based on the guidelines issued by SEBI/Exchanges from time to time.

MARGIN COLLECTION:

The margin facility is not offered to the clients, the available ledger balance will only be allowed to client for trading.

TRADING IN GSM & UNSOLICITED SMS STOCKS.

RMS of different type Categories of the securities fall under GSM and relevant surveillance actions, trade in Unsolicited script.

We have very strict parameter for the client dealing in securities which are fall under the GSM (Graded Surveillance Measure) and Unsolicited SMS script list.

1. Exchange alerts are on such securities will be regularly reviewed.
2. The securities which fall under the GSM are carefully watched by our surveillance team and updated with details and parameters to the RMS system.
3. We ensure all the requirements are fulfilled before client trade in such securities as per the exchange requirement.

4. In case securities fall under the unsolicited list we keep all the required cautions and the same is captured in our RMS system.
5. We have restricted trading for such securities which are falling under GSM & Unsolicited SMS list and which is published by exchange on time to time basis.

The board hereby considers and approves the Risk Management Policy duly amended on its Board Meeting held on 01st September 2020.

Place: Surat

Date: 1st September 2020

- BY MANAGEMENT ORDER

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