

Excel Fincap Ltd

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Excel Fincap Ltd

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POLICIES AND PROCEDURES FOR CLIENT DEALINGS – ALL EXCHANGES - MANDATORY (as required by SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009

For guidelines reference # NSE Circular Ref. No: 39/2020 - E/CMTR/44481 Date : May 27, 2020

Policy 1. refusal of orders for penny stocks

A penny stock can be typified as one which has one or more of the given below characteristics:

- Stock that trades at a relatively low price and /or market capitalization
- Highly speculative and risky because of lack of liquidity
- Large bid-ask spreads
- Showing sporadic volume pattern in tandem with bulk trades
- Association with errant promoters and/or classified under Z or T group by exchanges

Stocks that are on the illiquid stocks list issued by the Bourses periodically are considered as penny stocks. Our RMS reserves the “right to refusal” to trade in such stocks and consequently all losses pertaining to it would be borne by the client. The dealers and clients should refer updated GSM and ASM scrip’s list also before execution of any trade. All margins and conditions associated to GSM and ASM list of shares must be mandatorily adhered to by the clients.

Policy 2. setting up client’s exposure limit

Our RMS refers the following points in conjunction with the PMLA guidelines before giving exposure to our clients, which in turn can vary from time to time in view of the then prevailing circumstances:

- Client’s net worth
- Collateral or deposits taken from the client. Value of exposure will be as per prevailing Sebi/Exchange guidelines. Hence before any trade execution , upfront margin in the form of collateral after VAR haircut, NEFT/RTGS/cheques deposited ,and existing ledger credit balance will be considered.
- A client may opt for upfront collateral in the form of pledged eligible securities and/or FD/ BG,. All rules to be complied as per SEBI circular.
- Existing open positions of client and the various margin obligations getting attracted
- Broker’s risk perception of the client
- Prevailing market volatility
- The benefit of ‘credit for sale of shares’ is to be considered only if early pay-in is done by client.
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Scrip wise exposure can vary depending upon the group to which the scrip belongs. A client is liable to get less exposure for scrip under ‘Z’ & ‘T’ groups, as the broker has to keep in mind the total

turnover of the scrip, liquidity during the day, per day limits for a particular Group (e.g. T, Z groups) set by Exchanges or any such reasons after referring the daily notices of Exchanges & SEBI.

- Updated ASM and GSM list will be referred before allowing exposure in such scrips.
- Exposure to many illiquid scrips can remain blocked at our end and can be activated only with management's approval.
- Any other relevant factor.

The client has to agree to exposure/margin variation, reduction, imposition and restrictions that can affect his ability to execute the orders. Further the client has to agree that the losses if any on account of such refusal or due to delay caused by periodic reviews or interventions shall be borne exclusively by the client alone.

Necessary limits will be set by our officials on the basis of document/s procured from client such as Balance sheet and Profit and Loss statement, Annual IT acknowledgement copy, Auditor certified net worth statement or self-declared net worth. Any one or combination of above documents will be scrutinized to arrive at a suitable terminal/ UCC limit for the client.

Policy 3. applicable brokerage rate

- Brokerage rates will be charged within the limits prescribed by SEBI/Exchange.
- As per SEBI rules, brokerage on delivery trades cannot exceed 2.5% of market rate.
- At the time of opening of client's account the brokerage rates will be assigned in consultation with the client/sub-broker. Any change intended by either broker or client will be done after mutual discussion thereof.
- For option contracts brokerage will be charged on the premium at which the option contract was bought or sold and not on the strike price of the option contract.
- The management also reserves the right to decide upon brokerage rates to any client as per their comfort level and within the permissible range.
- For Block/Bulk deals, the negotiated brokerage rates may apply.

Policy 4. imposition of penalty/delayed payment charges by either party, specifying the rate and the period not resulting in funding by the broker in contravention of the applicable laws

- Where the Broker is levied or pays any fine/penalties/punishment imposed by any of the authorities like SEBI/RBI/Exchanges/Banks etc in connection with/as a consequence of/in relation to any of the orders /trades/deals/actions/non-compliance of the client, then the same will be debited to the client.
- All penalties due to client's negligence, what-so-ever it may be, pertaining to their trading account or non-compliance shall be borne by Client.
- If for any reason the client defaults in his pay-in obligations whether at broker level or exchange level, then the broker has the right to recover from the client, the interest so charged by the authorities along with the penalties imposed.
- Any interest corresponding to the amount of shortfall of pay-in amount of the client raised from any bank or through private sources shall be debited to the client's account.

Policy 5. the right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues (Limited to the extent of settlement/margin obligation)

- Without prejudice to the stock broker other rights (including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate /close out all or any of the client's position without giving notice to the client for nonpayment of margins or other amounts including the pay-in obligation, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any against the client's liabilities/obligations.

- The client shall ensure timely availability of fund/securities in the form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay-in obligation of fund and securities. All losses on account of non-compliance of exchange obligation shall be borne by the client. Any available security/collateral would be subject to haircuts/MTM as the stockbroker may deem fit in his absolute discretion.
- The stockbrokers has the right but not the obligation, to cancel all pending orders and to sell /close/liquidate all open positions/securities/shares at a predefined square off time or when MTM percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stockbroker will have the sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square-off, the client shall bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange.
- On the explicit directions of Exchanges/ SEBI or any government authority, the broker can freeze or resort to squaring off the position of client. In such cases all losses shall be borne by the client.
- Normally, a client who has outstanding debit balance for more than T+ 5 days can be asked to make good the expenses of all kind, including TOD/OD interest charges that the broker had to bear due to client's inability to clear their obligations in time.

(NSE Ref. No.: NSE/INSP/36889- Circular Ref. No.:318/2018- Date: February 02, 2018
Exchange circular NSE/INSP/41359 dated June 20, 2019 and SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members)

Policy 6. shortages in obligations arising out of internal netting of trades

It was mandated by SEBI to have a single designated clearing corporation across all exchanges under interoperability for BSE, NSE and Metropolitan Stock Exchange. Hence, after opting for NCL (NSE) as our sole clearing house across all exchanges, it has become imperative for us to revise our internal shortage policy.

Internal shortage arises when delivery pay-in /pay-out of sold/bought scrip remains unsettled between seller and buyer clients of the same broker.. In simpler words, when the seller of a security fails to deliver his securities that results in short delivery to another buyer client of the broker.

Facility for internal shortage is provided by NCL (National Clearing Corporation of NSE). We will be guided by the procedure laid out by NCL as per their circular reference no. NCL/CMPT/46456 dated November 25, 2020 and circular ref # NCL/CMPT/47402 dated February 19, 2021.Salient features of the facility:

1. Facility is for internal shortages in capital market segment and physical settlement of equity derivatives.
2. Clearing members shall provide a list of securities to be auctioned along with trading member, client code and shortage quantity to NCL through a file upload in the format as provided. The file should be uploaded prior to 08:30 AM on settlement date.
(The above cut off time is for broker execution and not for clients. For all the clients we would consider cut off time as 6.00 p.m. one day prior to settlement day.)
3. NCL shall validate the records and provide a return file with status success/reject to the Clearing Members. Only successful records shall be taken up for further processing.
4. NCL shall debit from the settlement account an amount equal to the valuation of the securities provided towards auction. Clearing Members are required to provide valuation amount in their settlement account by 10:00 AM.
5. In case of successful auction, valuation amount so collected shall be utilized towards auction pay-in

on auction settlement day. Excess, if any, shall be returned to clearing member after making necessary adjustments and shortfall, if any, shall be recovered from the clearing member. In case of unsuccessful auction, the entire valuation amount shall be returned to the clearing member.

6. In case where auction is successful but there is settlement shortage i.e. auction seller fails to deliver the securities on T+3 day, NCL shall conduct financial close out in accordance with the exchange procedures.

7. It shall be sole responsibility of the Clearing Member to ensure correctness and completeness of the settlement shortages reported to NCL for auction.

8. There shall be facilitation fees of 1% on the value of security considering the price of security on day prior to auction. The amount including applicable taxes shall be collected on monthly basis.

Further this is only a facility at exchange level and no settlement guarantee shall be provided by exchange.

If for any unforeseen reason the procedure for internal shortage is not initiated then the following policy will be adopted. The client has to agree to the procedure set by us for internal shortage if he/she fails to deliver the securities sold by him/her which tantamount to non-fulfillment of the market obligation at BSE/NSE/Metropolitan Exchange. In such a case the contract shall be mandatorily closed out at NSE and the close out price will be higher of the following:

(a) Highest traded price of the scrip prevailing on NSE beginning from T day till the corresponding auction day

OR

(b) The closing price of the securities on the auction day increased by 5% for both cash and F&O segments.

The amount so determined shall be debited to the seller who failed to deliver the securities in time and credited to the buyer of the same scrip.

If the securities under close are not listed on NSE then aforesaid procedure shall be applied to BSE.

In case of securities having corporate actions that are under no-delivery period: In all such cum-benefit cases of short delivery which cannot be auctioned on cum basis or where cum-benefit pay-out is after book closure /record date then in such a situation it would attract compulsory close out at 10% above the official closing price on the auction day or the highest traded price from the trading day till the corresponding auction day.

The effect of the above amount will be debited to the defaulter client and credited to the buyer client. No actual delivery will be delivered to the buyer in case of internal shortage.

Policy 7. conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client

The above condition applies in the following cases:

- When the gross exposure/collateral set for the client gets exhausted.
- The existing position of the client is also liable to be squared up when the client fails to provide extra margin or fails to fulfill his obligations even upon being intimated.
- Due to non-receipt or non-fulfillment of money and/or delivery pay-in & payout obligation by the client in case of cash segment.
- In extraordinary circumstances whence the Broker is advised by the Exchange to reduce exposure to facilitate smooth working of the Exchange.

- In view of the high volatility of market
- Under all such circumstances as per our RMS policy, client may not be allowed to take further position.
- The existing position of the client will also be liable to be squared off/closed out without giving notice due to shortage of margin/ non making of payment for their pay in obligation/outstanding debts.

Policy 8. temporarily suspending or closing a client's account at the client's request

- A client's account can be temporarily suspended if the client gives in writing to do so with proper reason. It can be re-activated on receipt of written instruction from the client. However client would be allowed to settle his ledger account during suspended period.
- The management also reserves the right to temporarily close a client's account till he fulfills /complies with his due obligations.
- Closure of client's account- A client's account can be closed if a written request is received for the same, provided he has settled his account across all segments in terms of money and share delivery.

Policy 9. deregistering a client

Notwithstanding anything contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement in any of the following circumstances:

- 1) Incase of death/lunacy or any other disability of the client
- 2) Incase of breach of any term, condition or covenant of this agreement
- 3) Incase the client has made material misrepresentation in the facts disclosed in his KYC
- 4) If there is commencement of any legal proceedings against the client under any law in force.
- 5) If the action of the client are prima-facie illegal/improper or one that points to price manipulation or that disturbs the normal functioning capital market, whether alone or in conjunction with others.
- 6) In case the client defaults in fulfillment of his exchange related obligations
- 7) Incase of dissolution of partnership firm and the partnership firm or any of its partner being the client of the broker.
- 8) If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to BIFR or under any other law providing protection as a relief undertaking.
- 9) If any covenant or warranty of the client is incorrect or untrue in any material respect.
- 10) If there is reasonable apprehension that the client would be unable to pay its debts or the client has admitted its inability to pay its debt as and when they become payable.
- 11) If a receiver, administrator or liquidator has been appointed or allowed to be appointed for all or any part of the undertaking of the client.
- 12) If there is reasonable apprehension about the clients' solvency or ability to fulfill his obligations.

All losses pertaining to this effect shall be borne by the client.

Policy 10. policy regarding treatment of inactive/dormant client

In order to provide guidelines regarding treatment of inactive account and ensure uniformity across all the members, the following guidelines, framed in joint consultation with other Exchanges, are being issued by SEBI

1. *Definition of Inactive Trading accounts:* In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges
2. *Transaction in Inactive Trading accounts:* The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the Trading Member in UCC database of all the respective Exchanges.

The Members are also required to ensure that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client. Appropriate disciplinary actions may be initiated in case of any trades are executed in any account flagged as 'Inactive'.

3. All trading members are advised to upload correct status of the client code in the UCC database of the Exchanges prior to the execution of the trades.

4. *Return of Clients assets*: Members are required to ensure that all client accounts are settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time.

In case a member is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, Members are advised to make all efforts to trace the clients to settle their funds and securities lying with them and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients. Continuation Sheet

Further in cases where Members are unable to trace such clients in spite of all efforts taken, members are directed to take the following steps:

i. Open one separate Client Bank/Client collateral Demat account and immediately set aside the funds and securities of these clients in such account.

ii. Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be).

iii. Submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis. The mechanism and the format of the same will be shared in due course.

iv. In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

5. *Reporting of client Funds & Securities*: Henceforth, Members will not be required to upload the details of such inactive clients having NIL balances in their weekly submission of securities holding to the Exchange as prescribed in NSE Circular NSE/INSP/40743 dated April 12, 2019 and NSE/INSP/41711 dated July 25, 2019 and monthly upload of client funds and securities balances to Exchange under Enhanced Supervision prescribed in NSE Circular NSE/INSP/33276 dated September 27, 2016, NSE/ISC/2017/35268 dated July 3, 2017 and NSE/ISC/36817 dated January 24, 2018. However, details of clients having funds or securities balances shall be reported even if their UCC has been flagged as 'Inactive'.

Further as per Exchange circulars NSE/INSP/ 49743 dated 27 Sep 2021; NSE/INSP/43488 dated February 10, 2020, and NSE/INSP/46506 dated December 01, 2020 with respect to Treatment of Inactive trading account, the following policy stands modified to include the following directions:

Members are required to flag the client as inactive in UCC database of the Exchange in case the said clients have not traded in the last 12 months across all Exchanges. Members are required to undertake fresh documentation, due diligence and IPV where a client is coming for reactivation after a period of 1 year of being flagged as inactive i.e. after 2 years from their last trading date.

Further clarified that member shall flag the client as inactive in UCC database of the Exchange in case clients have not traded in the last 12 months, fresh documentation, due diligence and IPV should be undertaken only when the client seeks reactivation after a period of 1 year of being flagged as inactive i.e. after 2 years from their last trading date. Further, no communication seeking clients to trade in order to prevent accounts from being flagged inactive should be sent.

In order to reactivate the dormant account, client needs to instruct KMJPL in writing in prescribed format in advance at its Mumbai H.O. Such written request DULY SIGNED BY CLIENT may also be sent by way of e-mail to compliance department at accounts@kmjpl.com or compliance@kmjpl.com from client's own e-mail account registered with KMJPL. We shall reactivate the said account subject to fulfillment of such conditions as KMJPL may consider fit and proper and in accordance with Exchange rules and regulations.

The policy shall be amended from time to time under the directions of SEBI and Exchanges.

Policy 11. Client code modification Policy

We Excel Fincap Ltd(EFL) shall have the absolute discretion to accept, refuse or partially accept the client code Modification requests based on Risk Perception and other factors considered relevant by us. Excel Fincap and/or any of its directors, employees will not be held responsible for Damages/losses due to such refusal or due to delay caused by such review.

We intend to adhere to the new SEBI directive on 'UCC changes and its implications'.

As per SEBI circular dated July 5, 2011 on client code modifications, penalty will be levied on all client code modifications w.e.f. August 1, 2011 (including genuine errors). The following steps taken in that regard are:

1. All modifications shall be done by Head office only through permissible Exchange sites dedicated for this purpose. The dealer or branch will have to send their request through email for their unforeseen genuine errors during trading session.
2. No back-office UCC modifications will be permitted.
3. 'ERROR' code created in UCC site of NSE after incorporating OWN/PRO details including PAN number shall be used for modifications. Modifications through ERROR UCC code can be done provided ERROR UCC CODE is squared up during the same day. However the loss difference would be borne by the wrongdoer.
4. Institutional to Institutional trades can be modified without attracting penalty.
5. Genuine errors for above purpose can be communication error, punching error, typing error (similar client code /name) and code change between relatives (Relative as defined under sec. 6 the Companies Act, 1956)
6. Client Code Modification requests will be accepted only till 3:30 PM IST.

Code Modification Summary

From	To	Allowed/Not Allowed	Penalty/No penalty
Institution	Error	Allowed	No penalty
Non Institution	Error	Allowed	No penalty
Institution	Institution	Allowed	No penalty
Client	Client	Allowed (in certain cases only)*	Penalty
* As per NSE notice for permitted changes			
Penalty of 1% or 2% of trade value depending on quantum of changes for the day will be levied by Exchanges			
Client Code Modification requests through "ERROR ACCOUNT" will be accepted only till 3:30 PM IST.			

Policy 12. policy on cash/bank contra A/c

To facilitate pay-in/ pay-out obligations among various segments namely NSE , we move funds from one segment to another in the form of contra entry, subject to the following points:

1. Fund to be moved when a client has credit lying in one segment and pay-out/credit in another segment.
2. To bring about agility in the system and avoid delays
3. To avoid the inconvenience of taking cheque in one segment and delivering in another.
4. And, above all to ensure smooth process of fulfillment of market obligations.

Policy 13. Investor grievances policy

All investors are free to communicate their grievances through our dedicated investor grievances email id:excelfincaplimited@gmail.com or through our investor grievances register kept in all our offices at convenient accessible place. Investors will be assured prompt reply and resolution to their grievances. We, as broker are bound by SEBI circular CIR/MIRSD/3/2014 dated August 28, 2014 for redressal mechanism. The process for prompt redressal would entail the following steps:

- Nature of grievance- whether monetary, documentary requirement or otherwise
- If monetary- then the cause and the veracity needs to be established. If the veracity is established by our back office then the client can expect quick dissipation. If veracity is denied by our back office, then the client would be duly informed with facts and figures.
- If non-receipt of a document- then the back office manager would ensure that the documents are dispatched immediately or a duplicate copy is forwarded to the client.
- Other grievances- solution to be decided only after collating the details.
- If the client remains dissatisfied with managerial decision then he can contact the investor grievance cell of respective exchange. The contact details are displayed at all offices as well as in KYC form.

For any grievance/dispute, clients can contact head office of EXCEL FINCAP LTD. Or correspond with the Exchanges on the given below Email Ids.

E-mail ID for investor grievances:excelfincaplimited@gmail.com

NSE - Investor Grievance Cell
Tel. No: 040-23545910 040-40265888
E-mail Id : excelfincaplimited@gmail.com

14. Policy for prevention of unauthentic news in circulation

General rules as laid down under SEBI circular no Cir/ ISD/1/2011 dated March 23, 2011 and addendum thereof:

Our company discourages circulation of unauthentic news and hearsays through emails, SMS, Whatsapp, any social interaction site or printed material. All research news is handled only by our sole research department active in our Mumbai head office. Any news not bearing our research department approval shall have no bearing and may be considered false. All the printed material emanating from our research department, in Mumbai Head office will always be based on facts and /or permissible scientific assumptions.

Exchange has been publishing on its website and on trading terminals from time to time providing names of companies in which unsolicited messages were found to be circulated advising the market participants to carry out necessary due diligence while dealing in such securities. We as a broker are

bound by SEBI guidelines pertaining to unauthenticated news in circulation: refer SEBI circular no Cir/ISD/1/2011 dated March 23, 2011

Code of Conduct for Employees:

As directed by SEBI, the intermediaries should have a code of conduct for their employees, which inter-alia, should cast responsibility on the employees that they should refrain from originating or spreading unauthenticated market related news or rumors.

The employee while referring to the ‘unauthenticated market related news or rumours’ should clearly state that it is an unauthenticated market related news or rumour and has no discernible basis. Further, employees should be directed that any ‘unauthenticated market related news or rumours’ received by them either in their official mail / personal mail / blog or in any other manner, should be forwarded only after the same has been seen and approved by the concerned Intermediary’s Compliance Officer.

Logs for usage of those Blogs/Chat forums/Messenger sites etc. made available to the employees by the intermediary shall be treated as records and the same should be required to be maintained as specified under the respective Regulations which govern the concerned intermediary.

Role of Compliance officer:

The Compliance Officer shall

- [a] put in place adequate systems which shall make best efforts to prevent the spreading of unauthenticated market related news or rumors by employees of the intermediary.
- [b] Formulate clear and transparent policies on handling unauthenticated market related news or rumors etc. and communicating the policies to all employees.
- [c] Document appropriate training policies and programs reasonably designed to ensure that employees comply with their responsibilities and obligations.
- [d] Ensure affirmation of these policies by each employee periodically.
- [e] Conduct periodic monitoring to ensure compliance with the laid down policies and take action in case an employee is found violating the laid down policy.
- [f] Report the same to SEBI in terms of extant Regulations

15. Policy for trading in illiquid stocks

As per SEBI’s direction, the Exchanges draw up a list of illiquid securities on monthly basis, based on criteria jointly decided by SEBI, NSE and BSE. The list is then made known through exchange circular.

We as trading member are advised to exercise additional due diligence while executing trades in these securities either in Pro account or on behalf of our clients.

An illiquid stock can be typified as one which has almost all the given below characteristics:

- Highly speculative and risky because of lack of liquidity
- Large bid-ask spreads
- Showing sporadic volume patterns
- Periodically classified by Exchanges in their list of –‘illiquid securities’, intimated through their daily notices.

Our RMS reserves the “right to refusal” to trade in such stocks and consequently all losses pertaining to it would be borne by the client. The client should also be ready to pay 100% margin pertaining to the scrip, if need be. Such stocks would not be considered for client’s exposure or margin.

The dealers and clients should refer GSM and ASM scrip’s list also before execution of any trade.

16. Policy for Insider Trading

The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, was

amended on 22nd February 2002 (hereinafter referred to as "Regulations") in terms of which a Stock Broker is required, inter alia, to frame a Code of Conduct for Prevention of Insider Trading by Employees of a Stock Broker, including its Directors.

In line with the said Regulations, the following Code of Conduct (hereinafter referred to as "the Code") has been adopted by Excel Fincap Ltd (hereinafter referred to as "EFL"), Member of the Stock Exchange, Mumbai & National Stock Exchange Ltd.

Director

EFL has an appointed Compliance Officer who reports to the Managing Directors/other directors. The Compliance Officer shall be responsible for setting Policies and Procedures and monitoring the Rules & Regulations for the preservation of "Price Sensitive Information", pre-clearing of all Designated Employees and their Dependents Trades (directly or through respective Department heads as decided by the EFL). Monitoring of Trades and the Implementation of the Code of Conduct under the overall Supervision of the Directors

The Compliance Officer shall maintain a record of all EFL Employees and any Changes done in the Employees List from time to time & help to understand any Clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and EFL's Code.

Prevention of "Price Sensitive Information"

Employees / Directors shall maintain the Confidentiality of all Price Sensitive Information & must not pass such Information directly or indirectly by way of making a Recommendation for the Purchase or Sale of Securities

Price Sensitive Information is to be handled on a "Need to Know" basis, i.e. Price Sensitive Information should be disclosed only to those within EFL, who need the Information to discharge their Duty and whose Possession of such Information will not give rise to a Conflict of Interest or Appearance of Misuse of the Information.

All Files of EFL, containing Confidential Information shall be kept Secure & all computer files must have Adequate Security of Login and Password, etc

To prevent the Misuse of Confidential Information, EFL separates those Areas which routinely have access to Confidential Information, considered "Inside Areas" from those Areas which deal with Sale / Marketing / Investment Advice or other Departments providing Support Services, considered "Public Areas".

The Employees in Inside Area may be physically segregated from Employees in Public Area.

The Employees in the Inside Area shall not communicate any Price Sensitive Information to anyone in Public Area.

Prevention of Misuse of Price Sensitive Information

Employees / Directors shall not use Price Sensitive Information to Buy or Sell Securities of any sort, whether for their Own Account, their Relative's Account, EFL's Account or a Client's Account. The Trading Restrictions shall apply for Trading in Securities.

All Directors / Employees of EFL, who intend to deal in the Securities of listed Companies where EFL has some assignments shall pre-clear the Transactions as per the pre-dealing Procedure as described here below.

An Application may be made in such form as specify by EFL in this regard, to the Compliance Officer indicating the Name and Estimated Number of Securities that the Employees / Director intend to deal in with details of Demat DP with which he has a Security Account, the Securities in such Depository Mode and any other details as may be prescribed by EFL in his rule & regulations.

An Undertaking shall be executed in favor of EFL by such Employees / Directors incorporating, the following Clauses, as may be applicable

That the Employees / Director do not receive any "Price Sensitive Information" at the time of signing the Undertaking

That in case the employees / director / partner receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of listed companies.

That he / she has not contravened the Code of Conduct for prevention of Insider Trading as specified by EFL.

That he / she has made a Full and True Disclosure in the matter

Restricted / Grey List

In order to monitor above Procedures and Trading in Client Securities based on Inside Information, EFL shall restrict Trading in certain Securities and designate such List as Restricted / Grey List.

Security of a Listed Company shall be put on the Restricted / Grey List if EFL is handling any Assignment for the Listed Company or preparing Appraisal Report.

Any Security, which is being purchased or sold or is being considered for Purchase or Sale by EFL on behalf of its Clients shall be put on the Restricted / Grey List

As the Restricted List itself is a Highly Confidential Information it shall not be communicated to anyone outside EFL. The Restricted List shall be maintained & kept by Compliance Officer

Penalty for Contravention of the Code

Any Employee / Director who trades in Securities or communicates any Information or counsels any Person Trading in Securities, will be treated as Contravention of the Code & conduct, may be penalized and appropriate Action may be taken by EFL Employees / Directors of EFL, who violate the Code, may also be subject to Disciplinary Action by the Company.

The Action by EFL shall not preclude SEBI from taking any Action in case of Violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

Information to SEBI in case of Violation of SEBI (Prohibition of Insider Trading) Regulations

In case of any violation observed by EFL / its Compliance Officer that there has been a Violation of these Regulations ,EFL shall inform the SEBI

17. Policy for monitoring and reporting alerts as approved by the board- Surveillance Policy: (Refer revised and New Surveillance Policy formulated on 19th July 2021)

Trading members are directed to have proper mechanisms and to ensure that proper checks and balances are in control. The Company shall implement the following policy:-

1) Transactional Alerts provided by the exchange:

In order to facilitate effective surveillance mechanisms, the Firm would download the below mentioned alerts based on the trading activities on the exchanges.

Sr. No.	Transactional Alerts	Segment
1	Significantly increase in client activity	Cash
2	Sudden trading activity in dormant account	Cash
3	Clients/Group of Client(s), deal in common scrips	Cash
4	Client(s)/Group of Client(s) is concentrated in a few illiquid scrips	Cash
5	Client(s)/Group of Client(s) dealing in scrip in	Cash

	minimum lot size	
6	Client / Group of Client(s) Concentration in a scrip	Cash
7	Circular Trading	Cash
8	Pump and Dump	Cash
9	Wash Sales	Cash
10	Reversal of Trades	Cash
11	Front Running	Cash
12	High Turnover Concentration	Cash
13	Order Book Spoofing i.e. large orders away from market	Cash

The Firm may formulate its own alerts in addition to above mentioned type of alerts.

2) Clients Information:

The Company will carry out the Due Diligence of its client(s) on a yearly basis. Further, we will ensure that key KYC parameters are updated on a yearly basis and latest information of the client is updated in Unique Client Code (UCC) database of the Exchange. Based on this information the Company shall establish groups / association amongst clients to identify multiple accounts / common account / group of clients.

3) Analysis:

In order to analyze the trading activity of the Client(s) / Group of Client(s) or scrips identified on the basis of above alerts, we will carry out the following procedure:

a. To seek explanation from such identified Client(s) / Group of Client(s) for entering into such transactions.

b. To seek documentary evidence such as bank statement / demat transaction statement or any other documents listed below:

i) In case of funds, Bank statements of the Client(s) / Group of Client(s) from which funds pay-in have been met, to be sought. In case of securities, demat account statements of the Client(s) / Group of Client(s) from which securities pay-in has been met, to be sought.

ii) The period for such statements may be at least 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.

c. The Company shall review the alerts based upon:

- Type of the alerts downloaded by the exchange
- Financial details of the clients
- Past Trading pattern of the clients/ client group
- Bank /Demat transaction details
- Other connected clients in UCC (common email/mobile number/address, other linkages, etc)
- Other publicly available information.

d. After analyzing the documentary evidences, including the bank / demat statement, the Firm will record its observations for such identified transactions or Client(s) / Group of Client(s). In case adverse observations are recorded, the Compliance Officer shall report all such instances to the Exchange within 45 days of the alert generation. The Firm may seek extension of the time period from the Exchange, wherever required.

4) Monitoring and reporting:

For effective monitoring, the Company;

- Within 30 days of alert generation shall dispose off the alert, and any delay in disposition, reason for the same shall be documented.

- In case of any Suspicious or any Manipulative activity is identified, the same will be mentioned in the Register to be maintained for the purpose and will be reported to the Stock Exchanges within 45 days of the alert generation.
 - a. The Company shall prepare quarterly MIS and shall put to the Directors on the number of alerts pending at the beginning of the quarter, generated during the quarter, disposed off during the quarter and pending at the end of the quarter. Reasons for pendency shall be discussed and appropriate action shall be taken. Also, the Board shall be apprised of any exception noticed during the disposition of alerts. The surveillance process shall be conducted under overall supervision of its Compliance Officer. Compliance Officer would be responsible for all surveillance activities carried out by the Company and for the record maintenance and reporting of such activities.
 - b. Internal auditor of the Company shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.

These policies have been adopted by the trading member as on **1.04.2010** and may have been revised/reviewed over time. These policies may be reviewed as and when there will be changes introduced by any statutory authority or as and when it will be found necessary to change the policy due to business needs.

18: POLICY FOR -CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It sets out basic principles to guide all employees of the firm. It is supplemented by our Policies, Guidelines and Procedures, which, collectively, provide a framework for prudent decision-making.

All of our employees must conduct themselves in accordance with this Code and seek to avoid even the appearance of improper behavior. In this respect, our tradition is that we will engage in no business or political arrangement that would be embarrassing to us if it were published on the front page of the local paper.

A Firm can create a more restrictive policy if the partners believes such a policy would enhance the spirit and intent of this policy.

This Code also should be provided to and followed by the firm's agents and representatives, including consultants.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Employees who violate the standards in this Code will be subject to disciplinary action. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 11 of this Code.*

1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this firm's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The firm holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the firm. A conflict situation can arise when an employee, officer or partner takes actions or has interests that may make it difficult to perform firm work objectively and effectively. Conflicts of interest also may arise when

- (a) an employee, officer or partner, or family member, receives personal benefits from third parties as a result of his or her position in the firm. For example, loans or guarantees of obligations of loans to employees and their family members may create conflicts of interest.
- (b) It is almost always a conflict of interest for a firm employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member.
- (c) Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from the partners. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the firm. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.
- (d) Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any firm employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the Compliance Officer.

Conflicts of interest are prohibited as a matter of firm policy, except under guidelines approved by the Partners. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or partner who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 11 of this Code.

3. Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the firm should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. If you have any questions, please

consult the firm's Compliance Officer.

4. Corporate Opportunities

Employees, officers and partners are prohibited from taking personal gain through the use of firms property, information or position without the consent of the partners. No employee may use firms property, information or position for improper personal gain, and no employee may compete with the firm, directly or indirectly. Employees, officers and partners owe a duty to the firm to advance its legitimate interests when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the firm's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

To maintain the firm's valuable reputation, compliance with our quality processes and safety requirements is essential. In the context of ethics, quality requires that our products and services be designed and produced to meet our obligations to customers. All inspection and testing documents must be handled in accordance with all applicable regulations.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships. No gift or entertainment should ever be offered, given, or provided by any firm employee, directly or indirectly through a family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the partners.

6. Payments to Government Personnel

The Legal Framework prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the Indian government has a number of laws and regulations regarding business gratuities that may be accepted by Indian government personnel. The promise, offer or delivery to an official or employee of the Indian government of a gift, favor or other gratuity in violation of these rules would not only violate firm policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The firm's Compliance officer can provide guidance to you in this area.

7. Record-Keeping

Honest and accurate recording and reporting of information is required of all employees. Records should

always be retained or destroyed according to the firm's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please immediately consult the firm's partners, as set forth in the firm's legal policy. Maintain all records related to the matter until after consultation with partners.

All of the firm's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the firm's transactions and must conform both to applicable legal requirements and to the firm's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved by the firm's partners.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

8. Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by the firm or its customers, except when disclosure is authorized by the firm's Partners or required by laws or regulations. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the firm or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

9. Protection and Proper Use of firm Assets

All employees should protect the firm's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the firm's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. firm equipment should not be used for non-firm business, though incidental personal use is permitted.

The obligation of employees to protect the firm's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and distribution plans, engineering ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate firm policy. It also could be illegal and result in civil or even criminal penalties.

10. Statements to the Public

No public statements may be made as a representative of the firm without prior authorization from the Partners.

Any employee who wishes to speak at a public event or submit an article for a publication in a trade magazine or other publication must obtain prior approval from the partners. While we recognize and support your right to engage in legal activities while you are not working, we also must be careful to (1) avoid the employee's position being mistaken for the position of the firm, (2) avoid an interpretation that the firm in any way endorses the employee's position, and (3) avoid a violation of any other policies of the firm, including those related to conflict of interest and confidentiality of firm property and

information.

11. Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for employees may be made only by the Partners and will be promptly disclosed as required by law or the Stock Exchange rules.

12. Reporting any Illegal or Unethical Behavior

We all must work to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- **Make** sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
 - **Ask** yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

 - **Ask** yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
 - **Discuss** the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the issue and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
 - **Seek** help from firm resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it with the partners
 - **You** may report ethical violations in confidence and without fear of retaliation. The firm does not permit retaliation of any kind against employees for good faith reports of ethical violations.

19. POLICY FOR PRE-FUNDED INSTRUMENTS / ELECTRONIC FUND TRANSFERS

Objective:

The objective of the policy is to prevent acceptance of third party funds and to prescribe process to deal with instruments issued by third party when received.

Background:

SEBI vide circular no. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003 has specified that the stock brokers can accept demand drafts from their clients. However, SEBI vide circular no. CIR/MIRSD/03/2011 dated June 9, 2011 and National Stock Exchange vide its circular no. NSE/INSP/18024 dated 09-Jun-11 has advised stock brokers to maintain an audit trail while receiving funds from the clients through Demand Draft (DD)/Pay Order (PO)/Bankers Cheque (BC) since such

third party pre-paid instruments do not contain the details like name of the client, bank account number are not mentioned on such instruments. Non maintenance of audit trail may result in flow of third party funds or unidentified money which may result into breach of regulations issued under PMLA and SEBI circulars.

Terms used in this policy:

1. **Prefunded Instruments** - Referred as Pay order, Demand Draft, banker's cheque etc.
2. **Electronic Fund Transfers** - Referred as transfer of funds using net banking

Policy:

SEBI vide circular no. SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003 has specified that the stock brokers can accept demand drafts from their clients. However, in accordance with SEBI circular no. CIR/MIRSD/03/2011 dated June 9, 2011, the following needs to be complied:

1. A "Pre-paid instrument received register" with columns for date, name of the client, amount, instrument drawn on (bank name) and such other columns as found necessary shall be maintained. The register may be maintained either in a physical form or in electronic form.
2. Pre-paid instruments of the value of less than Rs 50,000 may be accepted from the client. Whenever such instruments are received, entry into 'Pre-paid instruments Received register shall be made.
3. If the pre-paid instrument is for value more than Rs 50,000 or If the aggregate value of prefunded instruments is Rs. 50,000/- or more, per day per client is presented for acceptance, such instrument or instruments may be accepted, only if the same is/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. The mode of certification may include the following:
 - I. Certificate from the issuing bank or its letter head or on a plain paper with the seal of the issuing bank.
 - II. Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
 - III. Certified copy of the passbook / bank statement for the account debited to issue the instrument.
 - IV. Authentication of the bank account-number debited and name of the account holder by the issuing bank on the reverse of the instrument.
4. If a client submits pre-paid instruments at different times during the day, details and certificates as stated above may be collected along with the instrument with which the aggregate value of pre-paid instruments submitted exceeds Rs 50,000 for that date.
5. In case of any receipt of funds by way of Electronic fund transfer, an audit trail to ensure that funds are received from respective client only has to be maintained. Necessary details may be collected from banker at which the amount is received.
6. If the pre-paid instrument is received through post or any other method where client does not directly interface for submission of the instrument and the instrument does not contain the information as required above, the following action may be taken:
 - Contact the client immediately and seek information. Not to bank the instrument until the information is given by the client.
 - If the pre-paid instrument is bank transfer, contact banker immediately for the details; not utilize the amount so credited until the details are received and not to give credit to the customer until banker gives the details/certification.
7. While giving credit to respective client's ledger, Head office needs to cross check / verify with documents that such instrument is received from respective clients.

Approval Authority:

This policy shall be approved by its Board (in case of corporate trading member), Partners (in case of partnership firms) or Proprietor (in case of sole proprietorship firm) as the case may be.

Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs. In case of Individuals / Partnership Members: The policy may be reviewed by the Managing Directors. In case of Corporate Members: The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

Policy communication:

A copy of this policy shall be made available to all the relevant staff who are responsible for receipt of funds from clients and customer service executives.

Disclaimer: From time to time this policy will be made more comprehensive based on our business requirements and this may not be treated as the full and final policy. Reference circulars of any other exchange might be added as and when required.

20. NISM VII POLICY

FOR NSE

POLICY ADOPTED FOR OFFICERS IN CRITICAL POSITIONS

(Download Ref.No.: NSE/INSP/27495 Date : September 2, 2014 Circular Ref.No.: 198/2014)

NISM-Series-VII: Securities Operations and Risk Management Certification Examination

As per the said guidelines mentioned in SEBI and Exchange's circulars , persons associated with a registered stock-broker/trading member/clearing member who are involved in, or deal with, any of the below mentioned functions are required to have a valid NISM Series VII Certification:

- (a) Assets or funds of investors or clients,
- (b) Redressal of investor grievances,
- (c) Internal control or risk management, and
- (d) Activities having a bearing on operational risk,

In view of the operational difficulties expressed by the Members, in consultation with SEBI and other Exchanges it was decided by SEBI that requirement of passing of **NISM Series VII - Securities Operations and Risk Management Certification** exam would be optional for associated persons handling the basic clerical/elementary functions in the above stated areas and whose work is supervised by NISM Series VII -Securities Operations and Risk Management Certification certified personnel. The broad indicative activities that can be classified as basic elementary level/clerical level are enclosed as **Annexure-A**.

The adherence to the above shall be verified during the inspections and Internal Audits of the Members. Members are requested to take note of the above and ensure compliance by December 31, 2014

ANNEXURE-A(forming part of Policy for NISM VII certificate

Indicative activities falling under basic elementary level/clerical level

Internal control or risk management

1. Inwarding of collateral's/cheques
2. Person performing maker entries
3. Maker entry in the database
4. Photocopying, printouts, scanning of documents
5. Preparing of MIS
6. Sending of letters/reports to clients, Exchanges, SEBI
7. Attending calls, etc.

Redressal of investor grievances

1. Inwarding of complaints,
2. Seeking documents from clients
3. Person performing maker entries
4. Maker entry in the database
5. Photocopying, printouts, scanning of documents
6. Preparing of MIS
7. Sending of letters/reports to clients, Exchanges, SEBI Updation, data entry, uploading on

21. Policy regarding Conflict of Interest

(Reference NSE notice # 29Aug 2013 24301)

A “conflict of interest” exists when a person’s private interest interferes in any way with the interests of the firm. A conflict situation can arise when an employee, officer or partner takes actions or has interests that may make it difficult to perform firm work objectively and effectively. Conflicts of interest also may arise when

- (a) an employee, officer or partner, or family member, receives personal benefits from third parties as a result of his or her position in the firm. For example, loans or guarantees of obligations of loans to employees and their family members may create conflicts of interest.
- (b) It is almost always a conflict of interest for a firm employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member.
- (c) Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from the partners. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the firm. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.
- (d) Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any firm employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of Rs.1000 must be reported to the Compliance Officer.

Conflicts of interest are prohibited as a matter of firm policy, except under guidelines approved by the Partners.

Conflicts of interest may not always be clear-cut, so if the employees have a question, they should consult with higher levels of management. Any employee, officer or partner who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 11 of this Code.

22. Policy on outsourcing of activities by Intermediaries

Guidelines on Outsourcing of Activities:

Though our organization –“ Excel Fincap Limited” is at present, not outsourcing any major intermediary activity, none the less we have formulated the policy keeping in mind the future needs of the organization within the guidelines set by SEBI and Exchanges.

Hence, in case of any outsourcing activity by our organization then we would keep in mind the following points while appointing a third party to overlook the functioning of the desired activity:

1. We will ensure high standards of service and exercise due diligence and ensure proper care in their operations.
2. We would outsource with a view to reduce cost substantially or for strategic reasons.
3. We would bear in mind that outsourcing activity through a third party may pose the following risks: operational risk, reputational risk, legal risk, country risk, strategic risk, exit-strategy risk, counter party risk, concentration and systemic risk. Such risks need to be mitigated to maximum possible extent.
4. We will follow the principles for outsourcing as laid down by SEBI in their Annexure I.
5. However the following activities shall not be outsourced- core business activities and compliance functions. A few examples of core business activities may be – execution of orders and monitoring of trading activities of clients in case of stock brokers; dematerialization of securities in case of depository participants; investment related activities in case of Mutual Funds and Portfolio Managers. Regarding Know Your Client (KYC) requirements, we shall comply with the provisions of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 and Guidelines issued there under from time to time.
6. Other Obligations that shall be incumbent upon us will be:
 - i. **Reporting To Financial Intelligence Unit (FIU)** - The intermediaries shall be responsible for reporting of any suspicious transactions / reports to FIU or any other competent authority in respect of activities carried out by the third parties.
 - ii. **Need for Self Assessment of existing Outsourcing Arrangements** – In view of the changing business activities and complexities of various financial products, intermediaries shall conduct a self assessment of their existing outsourcing arrangements within a time bound plan, not later than six months from the date of issuance of this circular and bring them in line with the requirements of the guidelines/principles.
7. **Reliance on third party for carrying out Client Due Diligence (CDD)**
 - i. We may rely on a third party for the purpose of (a) identification and verification of the identity of a client and (b) determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner. Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.
 - ii. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by SEBI from time to time. Further, we shall be ultimately responsible for CDD and undertaking enhanced due diligence measures, as applicable.

23. Policy – Prevention of Business Disruption due to Technical Glitches

POLICY ON PREVENTION OF BUSINESS DISRUPTION DUE TO TECHNICAL GLITCHES

Download Ref No: NSE/COMP/50610 Date: December 15, 2021 Circular Ref. No: 108/2021

ADOPTED By Excel Fincap Ltd as on 01.02.2022

Guidelines for prevention of Business Disruption due to technical glitches & Standard Operating Procedures (SOP) to be adopted upon incident of Technical Glitches.(whatever directives applicable to our organization)

I. Objective The objective of this guideline is to outline the technology infrastructure and system requirements that a member should put in place to prevent any incident of business disruption resulting from technical glitches. These guidelines also prescribe the Standard Operating Procedures (SOP) for reporting of technical glitches by Members, handling business disruption, management of such business disruption, including declaration of disaster and framing of provisions for disciplinary action in case of non-compliance in reporting/inadequate management of business disruption.

II. Definition a) “Technical Glitch” shall mean any malfunction of the Member’s systems including malfunction in its hardware or software or any products/services provided by the Member, whether on account of any inadequacy or non-availability of infrastructure/ network/ other systems or otherwise, which may lead to business disruption. b) “Business Disruption” shall mean either stoppage or variance in the normal functions /operations of systems of the Member, due to a technical glitch, w.r.t login, order placement (including modification & cancellation), order execution, order confirmation, order status, margin updates, risk management, for a continuous period of more than 15 minutes in any segment of the Exchange. National Stock Exchange of India Circular Page 3 of 11

III. Preventive Measures a) Members should have robust systems and technical infrastructure in place in order to provide essential facilities, perform systemically critical functions relating to securities market and provide seamless service to their clients. b) Exchange and SEBI have, from time to time, prescribed various guidelines and advisory to Members to build resiliency/redundancy in their systems to ensure continuity of services to their clients. Further, Exchange also provides various redundancy options to the Members for connectivity, enabling them to create network resilience, which the Members have been advised to deploy to ensure continuity of their business operations. Members are required to ensure due compliance to the same. c) Further, all Members shall be required to comply with the system requirements prescribed under the Stockbroker System Audit Framework as well as the framework for Cyber Security & Cyber Resilience prescribed by SEBI vide its Circular CIR/MRD/DMS/34/2013 dated November 06, 2013, and SEBI/HO/MIRSD/CIR/PB/2018/147 dated Dec 03, 2018, respectively and any other circulars/regulations & guidelines issued by SEBI/Exchange in this regard from time to time. d) Additionally, Members are also advised to ensure the following: i. System Controls & Network Integrity 1. Sufficient level of redundancy should be deployed and available at primary site for all critical systems including network and data center infrastructure. National Stock Exchange of India Circular Page 4 of 11 2. Member should implement and deploy suitable monitoring tools to monitor the data traffic within the Member’s organization network and to & from the organization network. ii. Backup and Recovery 1. The response and recovery plan of the Members should have plans for the timely restoration of systems affected by incidents of technical glitch. 2. Member should, based in their internal policy, define the Recovery Time Objective (RTO) i.e., the maximum time taken to restore the operations, and the Recovery Point Objective (RPO) i.e., the maximum tolerable period for which data might be lost, for each of their business processes/services. The same should also be informed to the clients by the Members.

IV. Business Continuity Planning (BCP)/Disaster Recovery (DR) In order to ensure that there is continuity of business and stability in operations of Members in case of any technical glitches, so that interest of investors and market at large is not adversely impacted, all Members with a client base of more than 50,000 unique registered clients across all Exchanges shall be required to mandatorily establish Business Continuity/DR set up to ensure that there is well defined continuity plan in case of such Business Disruptions. 1. The Members shall have a well-documented BCP/ DR policy and plan which will cover the following: a. Identification of all critical operations of the Member and also include the process of informing clients in case of any disruptions. While putting in place the BCP/DR National Stock Exchange of India Circular Page 5 of 11 plan, members are advised to sufficiently review all potential risks along with its impact on the business. b. Declaration of incident as a “Disaster” viz. timelines etc. and restoration of operations from DR Site upon declaration of ‘Disaster’. 2. Member should have distinct primary and disaster recovery sites (DRS) for technology infrastructure, workspace for people and operational processes. The DRS should be set up sufficiently away (not less than 250 km), from Primary Data Centre (PDC) to ensure that both DRS and PDC are not affected by the same disasters. 3. The declaration of disaster shall be reported in the preliminary report submitted to the Exchange, as specified on section V below. 4. Members should have alternate means of communication including channel for communication for communicating with the clients in case of any disruption. Such communication should be completed within 30 minutes from the time of disruption. 5. Adequate resources (with appropriate training and experience) should be available at the DR Site to handle all operations during disasters. 6. DR drills should be conducted by the Member on a periodic basis not exceeding half yearly basis. Members who do not fall in the above category shall inform all their existing clients within a period of one month from the date of this SOP that they are not required to have a Business Continuity/DR plan under the existing regulatory provisions. Such member shall disclose this information upfront to their new clients at the time of onboarding. National Stock Exchange of India Circular Page 6 of 11

V. Reporting Requirements Members shall be required to report to the Exchange any technical glitches, resulting in Business Disruption. Members shall report the same to the Exchange as under: 1. Members should intimate the Exchange about the incident within 2 hours from the start of the glitch. 2. A preliminary incident report shall be submitted to the Exchange within T+1 day of the incident (T being the date of the incident). The report shall include the date and time of the incident, the details of the incident, effect of the incident and the immediate action taken. 3. Root Cause Analysis (RCA) of the issue in the format as enclosed in Exhibit-I, to be submitted within 21 working days. The RCA must include details of the incident, time of occurrence and recovery, impact, summary as well as a detailed analysis of the cause of incident, immediate action taken and the long-term plan of action. For the purpose of the aforementioned reporting, a common dedicated email Id, across all Exchanges, is being provided: infotechglitch@nse.co.in. Members shall make the above reporting on the said email ID only. The above reporting requirements shall be applicable to all Members providing internet and wireless technology-based trading facility to their clients. Notwithstanding the above, in case of technical glitches caused by a cyber-security incident, all Members shall also additionally follow the SOP for handling Cyber Security incidents issued vide NSE circular ref. no. NSE/INSP/48163 dated May 03, 2021. National Stock Exchange of India Circular Page 7 of 11 All cases of technical glitches shall be examined by the concerned Exchanges jointly along with the report/RCA submitted by the Member and appropriate action may be taken including suggestion of suitable recommendations for implementation.

VI. Internal Policy and Documentation All Members, providing internet and wireless technology-based trading facility to their clients shall put in place an Internal policy to handle technical glitches resulting in Business Disruption. Such policy shall: - 1. Outline the key systems/departments handling the normal function /operation of the Member and assign responsibilities at business owner and technology owner level. 2. Lay down the processes/steps to be adopted in case of technical glitches along with the timelines and communication with concerned stakeholders including clients. 3. Define the Escalation matrix including reporting of such incident to the Exchange. 4. The response and recovery plan of the Members for the timely restoration of systems affected by technical glitch including the Recovery Time Objective (RTO) and the Recovery Point Objective (RPO). 5. Process of handling client complaints. Refer Such policy shall be approved by Board of the Member (in case of corporate trading member), Partners (in case of partnership firms) or Proprietor (in case of sole proprietorship firm) as the case may be and shall be reviewed annually by the “Internal Technology Committee” as constituted under SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018 for review of Security and

Cyber Resilience policy or any other appropriate committee in the event that the committee constitution is different for cyber security related issues. National Stock Exchange of India Circular Page 8 of 11 A quarterly MIS shall be put up to the Board, Partners, Proprietor, as the case may be, on incident reported, the corrective actions taken and the future plan of action. Reasons for delay in deployment of the corrective measures shall also be discussed along with the action to be taken. Members shall also constitute a Crisis Management Team (CMT) involving senior officials or management personnel of the members including the MD/CEO and heads of business, CIO/CTO, CISO, etc. The CMT shall be responsible to assess the incident, oversee the implementation of the corrective and preventive actions and ensure the implementation of the aforementioned procedures. The CMT shall also designate a “Designated Officer” who shall be responsible for ensuring compliance to the aforementioned reporting requirements. The Designated officer can be same as that designated by the Member in accordance with SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated Dec 03, 2018.

VII. Frequency of monitoring & implementation the aforementioned requirements shall be implemented as per the below timelines (as applicable to our organization): - S.No. Requirements Timeline for implementation

1. Business Continuity Planning (BCP) / Disaster Recovery (DR)	All Members shall, on a quarterly basis, check their eligibility viz. their number of registered clients with respect to setting up the Business Continuity Planning (BCP)/Disaster Recovery (DR) and implement the same as per the below timeline: a) Members having 50000 unique registered clients (across all segments/Exchanges) as on the date of this circular- Within 12 calendar months from the date of this circular. National Stock Exchange of India Circular Page 9 of 11 b) Other Members - Within 12 calendar months from the end of respective quarter in which the Member becomes eligible as per section IV.
2. Reporting of incident to Exchanges	Immediate basis
3. Internal Policy for Technical Glitch	31st March 2022
4. Preventive Recovery (Para III (a) & III (b) - System Control, Network Integrity, Backup & Recovery)	31st March 2022

VIII. Failure to report the incident to the Exchange (non-submission of preliminary report and/or RCA), failure to move to DR and failure to take remedial measures 1. Delay in Reporting Member will be liable to pay a monetary fine of Rs. 20,000/- for each working day after the due date specified as above for each of the reporting as mentioned in section V above. 2. Repeat Violation In case of repeated instances of non-compliance on 2 or more occasions, appropriate disciplinary action shall be initiated, after following due process and providing opportunity of a hearing. National Stock Exchange of India Circular Page 10 of 11 3. Failure to move to DR site within the timeline timely address specified by the Exchanges/SEBI In the event that Members fail to move to DR site within the time specified; appropriate disciplinary action shall be initiated by the Exchange, after following due process and providing opportunity of hearing. 4. Failure to timely address technical glitch In the event that Members do not address the technical glitch within the timeline specified by the Exchanges, appropriate disciplinary action shall be initiated by the Exchange, after following due process and providing opportunity of

hearing.

IX. Periodic Audit The Terms of Reference for the System Audit of Members, specified vide circular no. CIR/MRD/DMS/34/2013 dated November 06, 2013, shall be modified to include Auditor's comment on the implementation of the aforementioned guidelines and any ongoing compliance requirements.

24. Policy for Referral Incentive Schemes

(Compliance | NSE | 26/12/2019 |

Though our organization –“ Excel Fincap Limited” at present does not encourage business generation through referred clients through existing UCC clients, none the less we have formulated the policy keeping in mind the future needs of the organization within the guidelines set by SEBI and Exchanges.

With a view to safeguard the interest of the investors, the following guidelines have been issued by exchanges. Members shall frame an internal policy w.r.t. quantum/maximum limit on the incentive to be provided to the referring person in line with the aforementioned guidelines. Such policy shall be duly approved by its Board in case of corporate trading member. Members shall take adequate steps to review and monitor the adherence to the said policy on a regular basis, at such intervals not later than one year. Any existing schemes which are not in compliance with the aforesaid guidelines, should be withdrawn immediately or suitably modified immediately to comply with the aforesaid guidelines

The rate of the incentive should be flat (i.e. not slab based) and a single rate should be applied across all persons referring the clients.

The referred client shall not be subjected to any kind of trade inducement by the referring person and it shall be ensured that all instructions for placement of orders are obtained from the respective clients only.

The referring person cannot conduct IPV/OSV Member shall be directly and wholly liable in case of any dispute w.r.t. referral program/incentive scheme or calculation of referral income between broker-referred/ referring person. Such disputes/grievances will not be covered under investor protection or grievance redressal measures of the Exchange.

Policy & Terms & Conditions for Referral Incentive Scheme Policy of Excel Fincap Ltd

Till date our organization has not encouraged any such referral policy except for inducting clients through registered APs (Associate Persons) and Remisier as per preconceived terms and conditions. Nevertheless, due to competitiveness and ever changing style of evolving Broking business we have decided to formulate a policy for our organization, keeping in mind future scope and needs:

1. All clients of Excel Fincap Ltd shall be eligible to receive an incentive for referring friends/family and prospective clients at Excel Fincap Ltd provided they meet all the conditions enumerated below.
2. We would share 10% of all brokerage generated from referred clients with the introducer client, only till such time Excel Fincap Ltd continues to carry on this Referral Incentive Scheme.
3. All such referred clients must complete their account opening process & have their trading and demat account activated within 30 days of being referred.
4. Only, the referred accounts opened after 01.01.2022 will be eligible for brokerage sharing.
5. Referred clients from one Client ID will not be transferred to another Client ID.
6. Withdrawal request for any such incentives shall be entertained only after the referred client has

generated a brokerage amount of Rs. 1,000 (One Thousand Rupees).

7. Sharing of brokerage will be subjected to all statutory/government taxes and charges applicable at that time. This may include TDS deductions.

8. All eligible amounts available for withdrawal will be deposited towards the client's linked bank account which is in his/her own name and not in any other person's name.

9. Only income generated as trading brokerage will be shared and shall not include any other form of income or charges, charged by the broker.

Only for the client referring another client (not forming part of the main Policy)

I/We, having a trading account with **Excel Fincap Ltd** hereby agree to and declare the below points with respect to accepting any payment/incentives from **Excel Fincap Ltd**, with respect to any referral bonus or marketing fee or incentives from **Excel Fincap Ltd**:

- I/We am/are not forbidden to do any business under the Rules, Bye-Laws and Regulations of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), and or any Recognized Stock Exchange as defined by SEBI;
- I/We have read and understood all the terms, conditions, clauses of the NSE with respect to the "Byelaws" of all the Exchanges, "incentives/referral schemes" rules, and rules with respect to marketing and incentives. I/We understand that by receiving referral incentives from **Excel Fincap Ltd**, I/We and **Excel Fincap Ltd** are both bound by the rules of the Exchanges;
- I/We have read NSE Circular NSE/INSP/43029 dated December 26, 2019, and have clearly understood all the terms of the circular. Any dispute/grievance under this scheme cannot be referred to the Investor Grievance Panel at NSE and will be resolved between me and K M Jain Stock Brokers Pvt Ltd as stated in the abovementioned NSE Circular, and any such dispute should not be made public;
- I/We are accepting this incentive from **Excel Fincap Ltd** only for the referral of new clients/persons, and have not carried out any other activities, such as any financial advisory, inducing persons to use or trade/transact with **Excel Fincap Ltd**, providing stock tips, managing portfolios etc;
- I/We acknowledge that details of clients referred to by me/us, such as; contract notes, daily margin statement, statement of accounts, will not be sent to me/us from **Excel Fincap Ltd** without the consent of the referred clients;
- I/We have not, since being eligible to receive any payment/payout from **Excel Fincap Ltd**, entered into any contracts or published any marketing material/advertisement acting as **Excel Fincap Ltd** or act as a referral agent of **Excel Fincap Ltd** without the explicit written permission of **Excel Fincap Ltd**. I/We understand that publishing any marketing or advertisement material requires permission/intimation towards the Exchanges. I/We will not & have not publish/'ed any marketing material without the explicit permission of **Excel Fincap Ltd**;
- I/We have/will not post the affiliate link of my referral code on public forums without any context, and spam any such groups/platforms/pages on social media;
- I/We hereby declare that, since being eligible to receive any incentives from **Excel Fincap Ltd**, I/We are not an employee/referral partner/Introducer/Authorized Person/Sub broker of any other Trading Member (apart from **Excel Fincap Ltd**) of any of

the Exchanges. I/We also hereby declare that we are not a Trading Member on any of the Exchanges; and

- I/We are not an employee of **Excel Fincap Ltd** or any associate/group entity of **Excel Fincap Ltd**, and I/We are not a relative of an employee of **Excel Fincap Ltd**
- I/We hereby declare that the above information are true and correct, and if any information is found to be false and incorrect, **Excel Fincap Ltd** will have the right to recover the entire amount received by me/us through whatever means **Excel Fincap Ltd** deems proper.
- I/We agree to indemnify **Excel Fincap Ltd** and its Directors/agents/employees for any damages/claims that may arise from me/us deviating from the Rules/Bye-Laws of the Exchanges, and any terms, conditions, Policies & Procedures of **Excel Fincap Ltd**
- I/We hereby declare that I/We have read, understood and agree to abide by this Policy, Excel Fincap Ltd 's terms & conditions, privacy policy and policies & procedures on K M Jain Stock Brokers Pvt Ltd 's websites.
- I/We hereby understand this policy, along with these terms & conditions with respect to all incentives from Excel Fincap Ltd, regarding referrals towards Excel Fincap Ltd may be changed from time to time by **Excel Fincap Ltd**, at the sole discretion of Excel Fincap Ltd; or by the Exchanges. Therefore, at all times, I/We shall abide by the change in such Policies and Procedures of Excel Fincap Ltd & Exchanges without any objections in the future.
- I/We hereby understand that Excel Fincap Ltd's management reserves all rights to withhold any such incentives to any such referrer, at its sole discretion, for any reason whatsoever.

25. Policy - Use of facsimile/scanned signatures on Contract Note

NSE circular Ref. No. NSE/INSP/32524 dated June 06, 2016 regarding policy implementation in relation to "use of facsimile/scanned signatures" on Contract Note.

We at Excel Fincap Ltd are not using facsimile signature on contract notes and/or other documents being sent to our clients.

Our organization uses digital signature for sending all the contract notes and bills. Actual authorized person's signature is taken in case of physical contract notes if any taken out.

The policy shall be amended from time to time under the directions of SEBI and Exchanges.